

STATES OF JERSEY

OFFICIAL REPORT

TUESDAY, 6th NOVEMBER 2012

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[9:30]

The Roll was called and the Dean led the Assembly in Prayer.

QUESTION TIME

1. Written Questions

1.1. THE CONNÉTABLE OF ST. JOHN OF THE MINISTER FOR EDUCATION, SPORT AND CULTURE REGARDING THE COMMEMORATION OF THE CENTENARY OF THE FIRST WORLD WAR:

Question

Following the United Kingdom Government's announcement of plans to organise a commemoration of the centenary of the First World War, would the Minister inform members whether his Department will also be commemorating the event and ensuring that schoolchildren are made aware of the part played by many islanders in the conflict where many paid the supreme sacrifice, if not, would he explain why?

Answer

Yes, the Department will be commemorating the centenary of the First World War in many ways.

The centenary of the First World War will be addressed in primary and secondary schools through history and cultural studies, and school assemblies will also provide an opportunity for commemoration and reflection. Remembrance services are an important element of the school calendar, and they will have a particular significance when we reach the centenary in November 2014. In this way schools will work to ensure that students are made aware of the part played by islanders in the conflict. I also intend to discuss this event with the Curriculum Council to see if there are any further steps that could be taken to mark this event in the context of the school curriculum.

Jersey Heritage, which is part-funded by ESC, is planning to commemorate the event with a number of projects with a community and educational focus, looking particularly at the part played by Islanders in the conflict.

With regard to the wider commemoration of the centenary by the Island as a whole, a group of interested bodies is to be assembled by the Bailiff's Chambers, and Education, Sport and Culture will be participating in the work of that group.

1.2 DEPUTY J.A.N. LE FONDRÉ OF ST. LAWRENCE OF THE MINISTER FOR HOUSING REGARDING AN ANALYSIS OF THE STATES SOCIAL RENTED HOUSING STOCK AND THE RENTAL INCOME:

Question

Would the Minister provide the following information –

- a) An analysis of units of accommodation by estate and by type (e.g. 1 bed flat, 2 bed flat, 3 bed house etc).
- b) An analysis of the approximate age of such units, and when they were last refurbished.

- c) An analysis of rent charged in respect of each unit type (by estate) for each of the calendar years 2009, 2010, 2011 and 2012 and, if rent was increased part way through any one year, provide the amounts before and after such increase, and the date of the increase.

Answer

A schedule setting out the information requested in part a) of this question together with the current maximum fair rent charged by unit type on each estate and which runs to some 8 pages has been provided to the Deputy. It is not copied to all members in the interests of saving paper. Should any member require a copy of the schedule, this can be provided on request.

In respect of prior years; Social Housing fair rents are generally increased annually on 1st October to coincide with increases in the Income Support Housing Component levels. The level of the increase and uplifted rent for the unit types for each year is shown in the table below.

With regards to part b) of the question the information requested is not readily available and I do not intend to commission a very significant and costly exercise to compile it without very good reason. I am also of the view that age is somewhat irrelevant and that decisions about the stock and future works to it are more properly informed by the detailed stock condition survey carried by Ridge Property Consultants Limited at the end of 2010 and which is continually updated.

Property Type	2009 Max rent charged by type before review	2009 Max rent charged by type post review (2.5%)	2010 Max rent charged by type (no review in 2010)	2011 Max rent charged by type before review	2011 Max rent charged by type post review (2.5%)	2012 Max rent charged by type before review	2012 Max rent charged by type post review (3.5%)
0 bedsit	104.17	106.75	106.75	106.75	109.41	109.41	113.26
0 bed bungalow	82.91	84.98	84.98	84.98	87.10	100.00	103.50
1 bed flat	148.81	152.53	152.53	152.53	156.31	156.31	161.77
2 bed flat	187.07	191.80	191.80	191.80	196.63	196.63	203.49
3 bed flat	140.31	143.82	143.82	143.82	147.42	223.37	231.21
1 bed bungalow	149.88	153.63	173.25	173.25	177.59	177.59	183.82
2 bed bungalow	217.90	223.35	223.35	225.61	231.28	231.28	239.40
3 bed bungalow	217.90	223.35	223.35	251.72	258.02	258.02	267.05
1 bed house	119.05	122.03	152.53	152.53	156.34	156.34	161.81
2 bed house	220.03	225.53	225.61	225.61	231.28	231.28	239.40
3 bed house	245.54	251.68	251.72	251.72	258.02	258.02	267.05
4 bed house	265.73	272.37	272.37	272.37	279.16	279.16	288.96
5 bed house	273.18	280.01	280.01	280.01	287.01	303.73	314.37
2 bed maisonette	187.07	191.75	208.64	208.64	213.86	213.86	221.35
3 bed maisonette	177.51	181.95	234.79	234.79	240.66	240.66	249.06
4 bed maisonette	221.09	226.62	226.62	226.62	232.29	257.96	266.99

1.3 DEPUTY J.A.N. LE FONDRÉ OF ST. LAWRENCE OF THE MINISTER FOR HOUSING REGARDING THE TOTAL BUILT AREA OF RESIDENTIAL PROPERTIES IN THE HOUSING DEPARTMENT'S PORTFOLIO AND THE CURRENT DENSITY OF SOCIAL RENTED HOUSING ESTATES:

Question

Further to his written answer on 20th June 2011 (Question 6381) in which he declined to answer the following 3 questions, would the Minister now agree to provide the following information –

- (a) the total built area of residential properties in the Housing Department's portfolio and what that represents as a proportion of the total area of property owned by the States;
- (b) the total land area of property in the Housing Department's portfolio;
- (c) the current density of housing estates administered by the Housing Department in terms of both habitable rooms per acre and dwellings per hectare?

Answer

I recall the earlier question. In my response on that occasion I did not give an undertaking to provide the information at a later date. I believe that I was most clear when I said "The information requested by the Deputy is not readily available and I do not intend to commission a very significant and costly exercise to compile it without very good reason."

Subsequent to that Deputy Le Fondré has not contacted me with a good reason and I have therefore not commissioned the work. I do not intend to do so at this time unless good reason is provided. If good reason can be provided then I believe that it would be not be appropriate to consider the Housing Department's portfolio in isolation but any review should include all of the Social Housing held by our Housing Trusts and the Key Worker Accommodation held by other States Departments.

1.4 DEPUTY J.A.N. LE FONDRÉ OF ST. LAWRENCE OF THE MINISTER FOR HOUSING REGARDING THE CURRENT USE VALUE OF EACH SOCIAL RENTED HOUSING ESTATE:

Question

Would the Minister provide an analysis by estate of the estimate of the current use value of each estate, and (for each site) the best alternative use value?

Answer

Valuations are carried out regularly in accordance with the States of Jersey Capital Accounting Manual and UK Generally Acceptable Accounting Standards (Financial Reporting Standard 15: Tangible Fixed Assets). The last whole stock valuation of the States social housing stock was carried out on 31st December 2010. Each home was individually valued rather than on an estate basis.

The valuation was carried out by Jones Lang LeSalle (formerly King Sturge LLP) who opined that the stock had a tenanted Social Housing use value of £516,490,000.

As for alternative values; it is a residential stock and so the appropriate alternative value provided by Jones Lang LaSalle assumed freehold untenanted disposal on the open market and ascribed a value of £917,840,000. That is though somewhat irrelevant given that all of the homes are presently occupied and there is still a significant shortage of affordable homes. We need to be building more affordable housing and not considering the disposal of the limited amount that we have.

A detailed valuation schedule which runs to some 35 pages is available. I have not provided it here in the interests of saving money, paper and the sanity of Members. It is though available on request.

Should the States approve my proposals for the incorporation of the existing Housing Department into a wholly States owned Housing Association, then a detailed asset revaluation will be undertaken prior to the transfer of any assets.

1.5 DEPUTY J.H. YOUNG OF ST. BRELADE OF THE MINISTER FOR PLANNING AND ENVIRONMENT REGARDING THE ENVIRONMENTAL IMPACT OF THE DERELICT FORMER PLÉMONT HOLIDAY CAMP:

Question

Will the Minister provide the Assembly with full details, including dates and measures required, of the actions either he or his predecessor have taken using their enforcement or regulatory powers to require the owner of the derelict former Plémont Holiday camp after its closure in late 2000, to mitigate or eliminate the risks to the site and environment of the North Coast , including those which were identified in the documents submitted to the recent Planning Inquiry, namely a report of an oil contamination incident onto the North Headland in August 1989 and a ground contamination risk assessment dated 19th December 2008 which identified a risk -

of hydrocarbon contamination from leakages from the underground heating oil distribution network serving the complex;

of exposure to asbestos present in the buildings (103,983 sq.ft) and underground pipe network;

of contamination to underlying soils and groundwater from leakage of sewage tanks;

of contamination from PCB's from the electrical sub station;

of soils contaminated by toxic metals and PAH's on the site of the previously burnt down Plémont Hotel .

Answer

In relation to the reported oil contamination, the then Water Resources section (part of the Public Services Committee) investigated the incident and provided advice at that time with respect to site investigation and remediation.

This pollution incident occurred prior to the implementation of the Water Pollution (Jersey) Law 2000, hence the then Public Services Committee would have had limited regulatory powers to ensure appropriate remediation or cleanup of the site.

Notwithstanding, as part of the Phase 1 contaminated land report for the planning application, the groundwater risk assessment undertaken in 2008 has identified various potential risks of contamination. This report is designed to identify all potential risks on site which require further sampling and investigation should any development of the site occur.

Any planning permission granted for the Plémont site would be conditioned so that the applicant would be required to satisfy myself, as Minister, that a rigorous process has been followed in the full assessment of all contamination on site and demonstrate that these will be addressed and remediated to safeguard against both human and environmental risk. These processes are detailed within the Department's Supplementary Planning Guidance Planning Advice Note 2. Development of Potential Contaminated Land, October 2005.

This process will be dealt with during the Planning stage and be subject to approval from the appropriate regulatory officers.

1.6 DEPUTY J.A. MARTIN OF ST. HELIER OF THE MINISTER FOR TRANSPORT AND TECHNICAL SERVICES REGARDING SCHEMES FOR THE EXPANSION AND/OR THE REDEVELOPMENT OF GREEN STREET CAR PARK:

Question

Would the Minister provide details of the schemes the department has had under consideration for the expansion and/or the redevelopment of Green Street car park, with particular reference to the total number of car parking spaces and the number of stories of any new development? Would the Minister also detail the impact of the new Police Headquarters on the opportunities to redevelop the car park, with particular reference to the overall loss of potential additional car parking spaces?

Answer

TTS records show that in 1998 the then Public Services Committee undertook a feasibility study to create a new stand alone car park on the footprint of the proposed Police Station (the outdoors parking area at Green Street), as a result of a commitment in the then Island Plan. This was not funded or taken beyond the development of a general arrangement for the building.

The 1998 feasibility study provided a structure which was completely independent of Green Street Car Park (due to the difference in service life expectancies between the old and the new structures). The design shows a total of 288 public parking spaces provided within a new six storey car park (the top deck being 4.6m higher than Green Street Car Park's), increasing total parking by approximately 197 spaces. It was intended that the entrance and exit of the car park would be provided on to Route du Fort in similar fashion as is proposed for the new Police Headquarters.

No further design work for the redevelopment of Green Street Car Park has been commissioned by the Department. This would now need to take into account modern planning regulations, recent States decisions such as the Sustainable Transport Policy, the North of Town Master Plan and Esplanade Master Plan, and the opportunities and constraints provided by these to the redevelopment of the existing car park.

Notwithstanding the potential reduction in the site's footprint, given the proposed increases in overall parking provision, the geographic redistribution of spaces and the predicted reduction in commuter demand provided by these decisions, in conjunction with existing spare capacity with the public car parks, it is not clear at this stage whether an increase in capacity within Green Street Car Park would be required as part of any future redevelopment or the mix of parking to be provided.

(Further to the above, and in the interests of transparency - in 2008 as part of the development of the Town Park, high-level economic modelling was undertaken to assess the possibility of including underground parking at the Town Park site. This modelling considered the development value of many sites including Green Street Car Park, ultimately this work was not taken beyond broad comparative calculations, i.e. no design work was undertaken).

1.7 DEPUTY J.A. MARTIN OF ST. HELIER OF THE MINISTER FOR TREASURY AND RESOURCES REGARDING THE OPERATIONAL ON-SITE PARKING PROVISION PROPOSED AT THE SUMMERLAND SCHEME IN 2010:

Question

With regard to the answer provided to question 7160 – part V (on 23rd October 2012) – will the Minister confirm that on-site parking for all Police operational vehicles was to be provided at Summerland as part of the new Police station in the split scheme proposed by the Police Service and Jersey Property Holdings in 2010 ?

Answer

In 2010 the split site scheme had envisaged the acquisition of Lime Grove House and the construction of a custody suite and operational police station on the Summerland Site. Whilst no detailed design work was undertaken, outline block diagrams for the site included parking for all operational vehicles.

However, in the early part of 2011, the agreed split-site solution was to acquire Lime Grove House and refurbish or re-provide custody and operational facilities on the Rouge Bouillon site. This solution would have resulted in the Summerland site being released for affordable housing and so no operational parking would have been accommodated on this site. Arrangements for operational parking not located at Lime Grove House would have had to have been made as part of the Rouge Bouillon development, but this had not been designed in detail.

1.8 DEPUTY T.A. VALLOIS OF ST. SAVIOUR OF THE MINISTER FOR TRANSPORT AND TECHNICAL SERVICES REGARDING RESIDENTIAL PARKING IN ST. HELIER:

Question

Would the Minister identify how many on-street car parking spaces in the urban area of St Helier have been converted to 'residential parking' thus far, split between spaces within the ring road and outside of the ring road?"

Answer

There are currently 3 residents parking zones within and 1 outside the ring road. Each zone has a mixture of resident only spaces and visitor parking spaces (which are available for anyone to use during the day, but convert to resident only between 22:00hrs and 09:00hrs). There are also a small number of disabled bays, unloading bays and bays restricted to Doctor parking only.

Within the ring road, there are 406 resident only bays, 199 visitor bays, 31 disabled bays, 38 unloading bays and 9 Doctor bays. Outside the ring road there are 24 resident only spaces, 17 visitor spaces and 1 disabled bay.

1.9 DEPUTY J.A. MARTIN OF ST. HELIER OF THE MINISTER FOR TREASURY AND RESOURCES REGARDING THE FULL COSTS OF THE PROPOSED NEW POLICE HEADQUARTERS:

Question

With regard to the answers provided to question 7159 (on 23rd October) will the Minister provide the following additional information –

- a) The proposed locations, site and building floor areas of the ‘offsite archive and garage’ referred to as a cost of £30,000 in the ‘latest cost estimate’, together with the proposed locations, site and building areas of any other off site facilities required to support the proposed new Police Administration Headquarters and Operational Police Station at Green Street.
- b) A detailed breakdown of the ‘migration’ costs referred to as a cost of £25,000 in the ‘latest cost estimate’ and a comparison with the historical costs of moving other departments from one building to another (with related details of the number of personnel / equipment involved).
- (c) The cost for the project of the land upon which it is proposed that the new Police HQ is to be constructed, bearing in mind this land is not currently in the ownership / administration of the Police Service.

Will the Minister provide details of the Financial Directions relating to the procedure for transferring assets from one department to another which permit the exclusion of the costs of the site from the project?

Answer

- a) In 2009, it was identified that archive and specialist equipment storage should be located off-site, rather than be included within an expensive re-build. The option currently under consideration is to locate archive and equipment storage, a garage and command vehicles at a States-owned warehouse unit at La Collette. The total internal area of this warehouse as currently configured is 750 sq m, however the States of Jersey Police is currently working to significantly reduce its archive storage requirement. It could therefore be the case that not all this area is required and could be made available for alternative secure use. The budget of £30,000 has been identified to provide security arrangements and facilities for the storage of Police archive material.
- b) The migration cost of £25,000 is a pre-estimate of the costs of relocating police files, equipment and any remaining furniture from their existing buildings to the new facility. This is a provisional sum which is based on recent experience on capital projects and the nature of the

required move. This figure also takes into consideration the fact that much of the furniture at the new building will be new and therefore delivered to site and the fact that, because of the nature of files and equipment, some of this will have to be moved by the Police.

In comparison with the total costs of the scheme, the migration costs are de minimus and actual cost will be established nearer the time of the move once the exact details of the move have been established.

- c) The procedures for the transfer of Fixed Assets are set out in the Jersey Financial Reporting Manual (JFRoM), and accompanying guidance such as the Capital Accounting Manual. The JFRoM is issued by Ministerial Order, and departments are required to comply with its requirements under Financial Directions.

Transfers can be accounted for either as a transfer between balance sheets (the default approach) or a sale by one department and purchase by another. For the Police Station, it has been agreed between the relevant departments and the Treasury that the former method will be used. Whilst the land was not previously in the ownership of the Jersey Property Holdings (JPH), it was in the ownership of the States of Jersey, and so no cash is exchanged for the transaction, and the asset will not be “purchased” by JPH. As such there is no cost for the land included in the project.

This is consistent with other projects across the States, for example where existing land in a department is developed – the capital project would not include the cost of the land already in ownership by the States as it is not a cost to the taxpayer.

1.10 DEPUTY J.A. MARTIN OF ST. HELIER OF THE MINISTER FOR TREASURY AND RESOURCES REGARDING THE DIFFERENCE BETWEEN ‘ONSITE’ AND ‘BASEMENT’ PARKING AT THE PROPOSED NEW POLICE HEADQUARTERS:

Question

On 23rd October 2012 in reply to question 7160 the Minister stated –

‘Monthly there are estimated 2400 visitors including Public and those on official business or also put at “insignificant” at below 10 per hour’ and then ‘Members of the public will have limited access to onsite parking while those on official business will have access to basement parking.’

Please would the Minister explain the difference between “onsite” and “Basement Parking” and also advise up to how many officials at one time will be able to access “Basement Parking”.

Answer

‘Onsite’ parking refers to the lay-by at the front of the building which will accommodate disabled parking and deliveries only.

‘Basement’ parking is the area underneath the building which will accommodate operational vehicles and official visitors only.

Based on the size and nature of the operational vehicles and the patterns of work by operational staff, it is anticipated that there will regularly be at least 5 spaces available within the basement to accommodate official visitors.

1.11 DEPUTY M.R. HIGGINS OF ST. HELIER OF H.M. ATTORNEY GENERAL REGARDING THE FULL ROLE OF THE LAW OFFICERS' DEPARTMENT IN THE ISSUING AND PROSECUTION OF ENFORCEMENT NOTICES FOR THE DEPARTMENT OF THE ENVIRONMENT:

Question

Will the Attorney General explain to Members in relation to the Planning and Environment Department -

- (a) what is the full role of the Law Officers' Department in the issuing and prosecution of Enforcement Notices?
- (b) how many times has the Law Officers' Department been approached regarding the issue of Enforcement Notices in the years 2008 to end of October 2012 and the nature of those enquiries.
- (c) the number and nature of the Enforcement Notices that have been prosecuted by officers of his department or by officers supported by, or instructed by, officers of his department.

Answer

- (a) The decision to issue an Enforcement Notice is a matter for the Planning and Environment Department. The Law Officers' Department may provide advice if requested but the ultimate decision is made by the Planning and Environment Department. It is a criminal offence to fail to comply with the terms of an enforcement notice and it is assumed it is this to which the question refers by the expression "prosecution of Enforcement Notices". When consideration is being given to the prosecution of an individual or a company for an alleged failure to comply with the terms of an Enforcement Notice, in most cases, advice will be sought from the Law Officers' Department before proceedings are issued although there have been occasions when a matter has been referred directly to the Honorary Police without any involvement of the Law Officers' Department.
- (b) The question as to the number of occasions on which advice has been sought from the Civil Division of the Law Officers' Department in relation to the issue of Enforcement Notices is privileged information.
- (c) On the assumption that this part of the question relates to prosecutions brought for alleged failures to comply with an Enforcement Notice we are informed that approximately thirty Enforcement Notices are issued each year and that in most cases the issue of an Enforcement Notice results in the activity complained of stopping or the breach being rectified. In the context of the number of Enforcement Notices issued, prosecutions are few and nearly all of the matters which have resulted in prosecution have been dealt with in the Magistrate's Court. In the cases dealt with in the Magistrate's Court, the cases are conducted by a Legal Adviser who is a member of the Law Officers' Department. No records are kept which allow the answer to be entirely precise about the number of cases brought before the courts for alleged

breaches of Enforcement Notices but, for the period specified, namely since 2008, it is believed after enquiry that there have been no more than ten such prosecutions.

1.12 DEPUTY M.R. HIGGINS OF ST. HELIER OF H.M. ATTORNEY GENERAL REGARDING THE USE OF ‘SUPER-INJUNCTIONS’ ON BEHALF OF NAMED INDIVIDUAL PRIVATE CITIZENS:

Question

- a) Would the Attorney General explain the circumstances in which a States Department or States appointed body could seek a so-called super-injunction on behalf of named individual private citizens?
- b) In the event of a so-called super-injunction being sought by any States Department or States appointed body would the Attorney General explain how the States Assembly can effectively hold those bringing such actions to account either to prevent an abuse of power or for the expenditure of public money when it currently has no means of effectively knowing about such actions?

Answer

- (a) There is no States Department or States Appointed Body that can obtain a super-injunction on behalf of any private individual. That right vests in and remains with the private individual.
- (b) The Royal Court determines whether or not any injunction should be ordered on the application of a private citizen. If the application is justified, then the States Assembly will not be told about it because the Royal Court has determined that it is in the interests of justice that the proceedings remain private. In circumstances in which the order is justified, the need to “hold someone to account” cannot arise and in any event, States Members will not wish to subvert a Court Order. A party to the litigation who is unhappy with the Court’s decision has a right of appeal. If the application for an injunction is not justified, then the Royal Court will order that the court proceedings should be heard in public and then the States Assembly will become aware of the matter.

1.13 DEPUTY J.H. YOUNG OF ST. BRELADE OF THE MINISTER FOR PLANNING AND ENVIRONMENT REGARDING THE EXPORTATION OF JERSEY’S HAZARDOUS WASTE:

Question

Will the Minister inform the assembly whether he is required to seek consent from the relevant authorities in the United Kingdom to determine whether Jersey’s hazardous waste, including asbestos presently stored temporarily at La Collette, can be exported from Jersey to another OECD or EU member country for disposal or recovery or whether his own powers in the Waste Management (Jersey) Law 2005 are sufficient to enable him to approve such proposal, in either case , will he provide details of the criteria which apply and of the protocols and procedure which he as Minister is required to follow to enable that export to take place .

Answer

The Waste Management (Jersey) Law 2005 (‘the Law’) extends the UK ratification of the OECD decision the Basel Convention to cover Jersey. The Minister for Planning and Environment and the Department are the competent authority in Jersey and fulfil the functions of Basel. These functions

include administering the requirements under the international conventions on waste shipments which the island is obliged to follow. The Department is therefore a regulatory authority.

Export of waste for recovery requires the procedures set out by the Law to be followed. This includes that the prior informed consent of the competent authority in the destination jurisdiction must be obtained before wastes can be exported.

These procedures also include the submission of prescribed forms (detailing the names and contacts for the waste generator, holder, broker, carrier and site of recovery, waste types) financial guarantees, contracts and submission of genuine recovery statements.

Exports of wastes for disposal require the same procedures and consents to be followed. However, prior to export the agreement of the competent authority of destination has to be obtained. This involves justification for the proposed export for disposal from Jersey, that includes an assessment against the following criteria;

- 1) whether the country of dispatch has facilities of a type appropriate to deal with the wastes in question in an environmentally sound manner.
- 2) whether the country of dispatch is likely to be in a position to acquire facilities to dispose of the waste(s) in question in an environmentally sound manner in the short to medium term.
- 3) whether the waste identified could be stored safely prior to the acquisition of these facilities.
- 4) whether, based on present and predicted arisings, such facilities would be economically viable.

If all these conditions are satisfied, then the Department would formally submit a Duly Reasoned Request (DRR) to the proposed receiving jurisdiction.

If the DRR is granted, then before any shipments for disposal can take place, the agreed waste type and disposal activity is subject to the notification and consent procedure under the Law and the Waste Shipment Regulation. Accordingly, the competent authority of destination must approve the shipments of hazardous waste before export can take place. This includes provision of a financial guarantee to provide both the Department and the competent authority with guaranteed funds, for the waste need to be returned or otherwise suitable disposed of.

Defra (UK) has recently indicated to the Department that there is nothing to prevent Jersey from approaching another EU country in order to negotiate a DRR for the disposal of waste. The proviso here is so long as the Basel Convention (and provisions in the Waste Management (Jersey) Law 2005) are adhered to. However, under the Basel Convention, Defra have to report movements of hazardous waste to and from the UK, and correspondence with the UK authorities indicate that they would probably have to record such a movement under the UK banner. This information is made public on the Basel Convention website; so it would be problematic for the UK to report shipments for disposal to another EC member state which the UK would not itself accept for disposal in the UK through the DRR process.

If it is formally requested by a waste company or responsible States department that waste is exported from Jersey for recovery then a DRR would not be required. However, contact with the receiving competent authority would still be required, as this would still constitute a trans-boundary shipment of hazardous waste requiring prior informed consent from the competent authorities of both the exporting and importing jurisdictions. Prior consent of the UK would not be required.

1.14 DEPUTY G.P. SOUTHERN OF ST. HELIER OF THE MINISTER FOR TRANSPORT AND TECHNICAL SERVICES REGARDING THE TRANSFERRAL OF STAFF FROM CONNEX TO CT PLUS:

Question

- (i) Will the Minister inform members what evidence, if any, he has to support his statement that the Connex workforce is “controlled by fear and favour” and, if none, will he withdraw this statement?
- (ii) What powers does the Minister have to ensure that the Connex terms and conditions were transmitted to all tenderers?
- (iii) On what date did the Minister satisfy himself that CT Plus were fully aware of the terms and conditions under which Connex drivers were employed?
- (iv) If this was after 14th June 2012, what reliance, if any, could be placed on the HCT Group response of that date, if before, why have those guarantees of no change to terms and conditions terms not been met?
- (v) What is the result of the Minister’s commitment to investigate the use of charitable status by HCT Group or CT Plus, and whether such status has played any part in the tender process or delivery of the new service in Jersey?
- (vi) Does the Minister consider that where a new service such as the bus contract is transferred from one service provider to another, this should include transfer of recognition for employee representation under the Employee Relations (Jersey) Law 2007?

Answer

My Department and I are making every effort to achieve a positive outcome for all concerned. Our present priority is facilitating the transfer of eligible staff from CT Plus to Connex. It is extremely important that the mediated agreement reached at the JACS meeting on 10th October 2012, to address matters between the parties rather than in public, is respected. In the circumstances, it would not be appropriate for me to go into further detail about matters which the relevant parties are now addressing together than that set out in my previous answers and below.

Taking the Deputy’s points in order:

- (i) **I refer you to item 11 and 24 of my previous answers to written questions 1240/5(7151) and 1240/5(7152) reproduced below.**

11. JACS issued the following statement about the meeting:

“Following a very useful meeting of all parties involved in the provision of a bus service for Jersey it was agreed that all parties present would immediately encourage and facilitate meetings between existing Connex employees and representatives of CT Plus on a one to one basis within the next 10 days.

The purpose of these one to one meetings is to allow CT Plus representatives to meet with their potential employees, explain the way in which CT Plus intended to work in the Island

and to invite all staff to accept contracts of employment with CT Plus under the terms agreed at the mediation meeting held on 10 October 2012.

All parties present agreed that while arrangements as above are finalized no further public statements will be issued as it is now a matter of arranging for the Connex employees to determine whether they wish to join CT Plus from January 2013.”

24 Given the agreement reached at the mediation meeting on 10 October 2012, it would not be appropriate for me to go into further detail about matters which the relevant parties are now addressing together.

(ii) I refer you to items 1 to 5 of my previous answers to written questions 1240/5(7151) and 1240/5(7152) reproduced below.

The 2002 Connex Contract

1. Connex Transport Jersey Ltd ("Connex") is the existing Jersey bus service provider under the terms of a contract between Connex and the Public Services Committee (hereafter called "Transport and Technical Services or TTS") dated 13th November 2002 (the "Connex Contract").
2. Clause 18.3 of the Connex Contract states:
"On expiry of the Contract or early termination for whatever reason, the Committee shall or shall procure that any other body issuing tender documentation shall require in any tender documentation that the incoming service provider submit proposals that ensure that all of the Contractor's staff, with the exception of the general manager and any director of the Contractor, as at the date of the issue of any tender documentation are taken on by the incoming service provider on the same terms and conditions as apply at the date of the issue of any tender documentation and use its reasonable endeavours to facilitate the transfer of the staff from the Contractor to the incoming service provider provided always that the Contractor shall fully co-operate with both the Committee and the incoming service provider by providing them both with such employee information as is reasonably necessary for the Committee to compile any tender documentation and for bidders properly to price their bids and for the incoming service provider to take on the Contractor's staff."
3. There were two key elements to Clause 18.3, namely that:
 - (a) TTS should require in any tender documentation that the incoming service provider submitted proposals that ensured that all of the Contractor's staff, with the exception of the general manager and any director of the Contractor, as at the date of the issue of any tender documentation were taken on by the incoming service provider on the same terms and conditions as applied at the date of the issue of any tender documentation (June 2011); and
 - (b) TTS should use its reasonable endeavours to facilitate the transfer of the staff from the Contractor (Connex) to the incoming service provider.
4. The latter obligation was subject to the requirement that Connex fully co-operated with both TTS and the incoming service provider by providing them both with such employee information as was reasonably necessary for TTS to compile any tender documentation, for bidders properly to price their bids and for the incoming service provider to take on Connex staff.

The 1st Stage Tender Instructions ("1st Stage Tender")

5. The 1st Stage Tender included the following:

“...the Tenderer is required to provide a proposal (part of the Migration Statement see item 3.15) for the transfer of all the existing operator’s staff based on the terms and conditions at the time of this tender except for any Director or the General Manager The Employer has agreed to use its reasonable endeavours to facilitate the transfer of staff and provided such employee information for the Tenderer to price the Tender.”

“The Tenderer shall submit an outline Method Statement setting out a programme and proposals for setting up the 2013 Contract which shall adequately reflect how they will transfer existing staff (excluding any Director or the General Manager of the existing operator) and or obtain suitable staff, vehicles and all necessary equipment to commence the operation on the 1st January 2013”

“ ...The Tenderers attention is drawn to the fact that there is no requirement under the 2013 Contract for any Director or the General Manager of the existing operator to be included in any proposal for the transfer of existing staff. The information noted above and the terms and conditions to be found in Appendix G have been provided by the existing operator to the Employer and provided to the Tenderer in good faith....”

(iii) This was undertaken, as for all tenderers, as part of the First Stage Tender evaluations between mid October 2011 and end of January 2012.

(iv) I refer you to items 6 to 17 of my previous answers to written questions 1240/5(7151) and 1240/5(7152) reproduced below, the position of CT Plus as at 9th October 2012 was set out in the statement of that date published on the website of HCT Group.

The successful tenderer’s submission

6. HCT Group is the parent company of CT Plus Jersey Limited (“CT Plus”). HCT Group’s response to the second stage of the tender process was submitted under covering letter dated 14th June 2012. This response was submitted on the basis of a “seamless transfer of staff”. HCT Group stated:

“...we will not change any of the staff terms and conditions we have been made aware of in the first stage tender documents, for the first nine months of the contract.”

7. I took the decision to award the 2013 Bus Operator Contract (the “2013 Contract”) to HCT Group, as detailed in the decision summary dated 4th July 2012. The 2013 Contract is due to commence on 1 January 2013 (the “Commencement Date”) and will be operated by CT Plus. HCT Group and TTS have entered into a letter of intent, dated 18 July 2012, in relation to the 2013 Contract. The 2013 Contract is expected to be signed shortly.

8. Accordingly, in July 2012 the requirements of the first obligation on TTS under Clause 18.3 had been fully met by TTS.

Facilitating a transfer: mediation meeting

9. TTS has worked around the clock with the unions, staff representatives, Connex and CT Plus to try and facilitate a transfer of staff. On 9 October 2012 TTS asked staff representatives, Connex and CT Plus to attend an urgent JACS facilitated mediation meeting the next day, 10th October 2012, in order to see how best matters could be addressed and progressed. TTS was anxious to ensure that the best possible arrangements were put in place for staff. Concerns had been raised about new proposals put forward by CT Plus for modernised terms and conditions and a “clean break” arrangement for employment under the new contract, rather than a transfer with continuity of employment.

10. The meeting took place on 10th October 2012 and was extremely constructive. At the meeting it was agreed that eligible staff would transfer with preserved continuity of employment, for future statutory redundancy, unfair dismissal and notice purposes. The transfer would be on the basis of new terms and conditions in order to ensure that the present needs of Islanders were met, in accordance with the provisions of the 2010 Sustainable Transport Policy. A number of changes were agreed to enhance the terms and conditions on offer.

11. JACS issued the following statement about the meeting:

“Following a very useful meeting of all parties involved in the provision of a bus service for Jersey it was agreed that all parties present would immediately encourage and facilitate meetings between existing Connex employees and representatives of CT Plus on a one to one basis within the next 10 days.

The purpose of these one to one meetings is to allow CT Plus representatives to meet with their potential employees, explain the way in which CT Plus intended to work in the Island and to invite all staff to accept contracts of employment with CT Plus under the terms agreed at the mediation meeting held on 10th October 2012.

All parties present agreed that while arrangements as above are finalized no further public statements will be issued as it is now a matter of arranging for the Connex employees to determine whether they wish to join CT Plus from January 2013.”

Current position

12. Since the meeting on 10th October 2012 Connex, CT Plus and TTS have continued to work together in relation to arrangements for the transfer of staff from Connex to CT Plus. A number of positive staff meetings have taken place and CT Plus has confirmed that it is looking forward to taking on eligible Connex staff.

13. On 19 October 2012, TTS reiterated to CT Plus that it was essential that all key terms and conditions (such as rates of basic pay) of transferring staff were either mirrored or improved upon. CT Plus agreed further to enhance the terms and conditions that were being offered to transferring staff.

14. TTS is pleased that, following extensive discussions with Connex, CT Plus and the union, CT plus is now offering eligible driving staff employment on terms which include the following:

- CT Plus basic hourly rate of pay for Monday to Friday working hours is a slight increase over the existing rate at tender (the contractual benchmark).
- CT Plus overtime rate Monday to Friday is the same as their basic hourly rate, which is less than tender (see point 15 below)
- CT Plus basic rates for Saturdays are higher than at tender.
- CT Plus basic rates for Sunday are equal to the overtime rates at the time of tender
- CT Plus basic rates for Public and Bank Holidays are higher than the overtime rates paid at the time of tender.
- The CT Plus rostered working week of 5 days in 7 is an improvement on the present 6 days in 7, typically giving 47 more rest days per year to a driver.
- The basic working week of 39 hours remains the same
- CT Plus’s annual salary for the contracted basic 39 hours will be slightly higher than at tender.
- CT Plus’s sickness provision for the first 4 years of service is higher than at tender.
- Healthcare and pension payments remain the same.

- 5 weeks paid holiday: remains the same.
 - Paid meal breaks will continue.
 - No probation period will apply to transferring staff
 - Staff transfer with preserved continuity of service for future statutory redundancy, unfair dismissal and notice purposes.
15. Access to overtime is at management's discretion, is voluntary, and is not a contractual right. CT Plus had anticipated removal of overtime from rosters as it is very expensive. However as CT Plus talked to staff it became clear that some staff, although not a majority, did want to work more than approximately 39 hours per week. If CT Plus had a higher overtime rate for Monday to Friday then the need to reduce or eliminate overtime would not have been addressed. Having a flat rate enables CT Plus to address this issue while also enabling drivers to work more hours, up to the maximum of 54 and earn accordingly (circa £40,000).
 16. For information, the 54 hour working week maximum being applied to this new contract has been introduced for health and safety reasons to protect both the public and drivers, in accordance with advice we have received from the Health & Safety Inspectorate. It is in accordance with recognised UK best practice and consistent with the Unite Union's current 'A Safer Way' campaign.
 17. Staff at TTS continues to work tirelessly to facilitate the transfer of staff from Connex to CT Plus on 1 January 2013.

(iv) CT Plus bid for the 2013 Bus Operator's Contract was on exactly the same like for like basis as the other tenderers. Of course as a charitable Social Enterprise CT Plus's company's structure and motivation is different to the traditional corporate model, as it does not have to return a dividend to shareholders, but reinvests any money made back in the community where it is generated to create social good, such as transport for older and disabled people or community groups or training for the unemployed. This aspect of CT Plus's operations was excluded from the quality / cost tender assessment as it was not part of the evaluation criteria.

(vi) I refer you to item 21 of my previous answer to written questions 1240/5(7151) and 1240/5(7152) reproduced below.

21. The Employment Relations Code of Practice on Trade Union Recognition relates to employees and their employer. CT Plus is not yet the employer of staff who are eligible to transfer. If staff who join CT Plus wish their employer to recognise their representatives or their union, then of course they have the absolute right to seek such recognition under the relevant Code of Practice of the Employment Relations Law. The question of union recognition by an employer is not a matter for the Minister. It is a matter for the employer. CT Plus has already met with staff representatives, at the mediation meeting, and it is keen to engage fully with the union at an appropriate time, once staff have transferred. For information, CT Plus have just signed a recognition agreement with Unite in Guernsey, the first within the bus service there, and they have instigated union recognition in other of their depots. CT Plus have publicly stated that they believe that where a union works well it can be a source of good in the workplace.

1.15 DEPUTY G.P. SOUTHERN OF ST. HELIER OF THE MINISTER FOR HOUSING REGARDING THE INTERACTION BETWEEN HIGH RENTAL COSTS, THE LEVEL OF THE MINIMUM WAGE, INCOME TAX THRESHOLDS AND INCOME SUPPORT RATES:

Question

What consideration, if any, has been given to by the Minister, along with Ministers for Social Security and Treasury and Resources, as requested by recommendations 11, 13, 14, 16 and 17 of SR.3/2011, "Review of Benefit Levels", concerning the interaction between high rental costs, the level of the minimum wage, income tax thresholds and Income support rates, and when will the Minister present the results of his investigations to members?

In particular, will the Minister do so before members are asked to debate the Housing Transformation plan?

Answer

This answer has been co-ordinated with the Ministers for Social Security and Treasury & Resources.

The Scrutiny report "Review of benefit levels" was published by the Health, Social Security and Housing Scrutiny Panel on 28th March 2011. Ministerial responses by the Minister for Social Security and the Minister for Housing were published on 13th May 2011, and provide detailed responses to the recommendations listed in the question. The Minister for Treasury and Resources wrote to the Chairman of the Health, Social Security and Housing Scrutiny Panel on 11th April 2011 and 23rd May 2011.

In respect of items directly related to the Housing Transformation Programme (HTP), the following actions have already been taken:

Recommendation 11 -The Minister for Social Security must work with the Ministers for Treasury and Resources and Housing to ensure that the mechanism for financing social housing is separate from the provision of means tested income support benefits.

As set out in my White Paper "Achieving Decent Homes -- an affordable housing framework for the future" published in April 2012" (R.47/2012) , one of the main aims of the HTP is to remove the "hidden subsidies" within the existing rents system and to change the manner in which rents are accounted for to increase transparency.

It is proposed that rentals for social housing properties will be returned to 90% of their individual equivalent market value and the full cost of providing social housing will be included within the cost of income support. This will provide the separation proposed in the recommendation.

Recommendation 13: Pending a long-term solution to the funding of social housing, the Minister for Social Security must resist any pressure to cap the rising cost of the accommodation component of Income Support.

Despite significant pressures on the Income Support budget, accommodation components have been increased in both 2011 and 2012. In October 2011 all the accommodation components of income support were increased by 2.5% (P.107/2011) and in October 2012 components were increased by a further 3.5% (P.56/2012).

The HTP includes plans to fully cover the additional costs of Income Support that will be created when social sector rentals return to the 90% level.

Recommendations 14, 16 and 17 are not directly related to housing matters.

It is understood that the Minister for Social Security has no current plans to release any additional reports on these matters.

1.16 DEPUTY G.P. SOUTHERN OF ST. HELIER OF THE MINISTER FOR SOCIAL SECURITY REGARDING THE INTERACTION BETWEEN HIGH RENTAL COSTS, THE LEVEL OF THE MINIMUM WAGE, INCOME TAX THRESHOLDS AND INCOME SUPPORT RATES:

Question

What consideration, if any, has been given to by the Minister, along with Ministers for Housing and Treasury and Resources, as requested by recommendations 11, 13, 14, 16 and 17 of SR.3/2011, "Review of Benefit Levels", concerning the interaction between high rental costs, the level of the minimum wage, income tax thresholds and Income support rates, and when will the Minister present the results of his investigations to members?

In particular, will the Minister do so before members are asked to debate the Housing Transformation plan?

Answer

This answer has been co-ordinated with the Ministers for Treasury and Resources and Housing.

The Scrutiny report "Review of benefit levels" was published by the Health, Social Security and Housing Scrutiny Panel on 28 March 2011. Ministerial responses by the Minister for Social Security and the Minister for Housing were published on 13 May 2011, and provide detailed responses to the recommendations listed in the question. The Minister for Treasury and Resources wrote to the Chairman of the Health, Social Security and Housing Scrutiny Panel on 11 April 2011 and 23 May 2011.

In respect of items directly related to the Housing Transformation Programme (HTP), the following actions have already been taken:

Recommendation 11 -The Minister for Social Security must work with the Ministers for Treasury and Resources and Housing to ensure that the mechanism for financing social housing is separate from the provision of means tested income support benefits.

As set out in "Achieving decent homes -- an affordable housing framework for the future -- White Paper April 2012" (R.47/2012) , one of the main aims of the HTP is to remove the "hidden subsidies" within the existing rents system and to change the manner in which rents are accounted for to increase transparency.

It is proposed that rentals for social housing properties will be returned to 90% of the market value and the full cost of providing social housing will be included within the cost of Income Support. This will provide the separation proposed in the recommendation.

Recommendation 13: Pending a long-term solution to the funding of social housing, the Minister for Social Security must resist any pressure to cap the rising cost of the accommodation component of Income Support.

Despite significant pressures on the Income Support budget, accommodation components have been increased in both 2011 and 2012. In October 2011 all the accommodation components of Income Support were increased by 2.5% (P.107/2011) and in October 2012 components were increased by a further 3.5% (P.56/2012).

The HTP includes plans to fully cover the additional costs of Income Support that will be created when social sector rentals return to the 90% level.

Recommendations 14, 16 and 17 are not directly related to housing matters.

Given other pressures on departmental resources, the Ministers for Social Security and Treasury and Resources have no current plans to release any additional reports on these matters.

1.17 DEPUTY G.P. SOUTHERN OF ST. HELIER OF THE MINISTER FOR TREASURY AND RESOURCES REGARDING THE INTERACTION BETWEEN HIGH RENTAL COSTS, THE LEVEL OF THE MINIMUM WAGE, INCOME TAX THRESHOLDS AND INCOME SUPPORT RATES:

Question

What consideration, if any, has been given to by the Minister, along with Ministers for Social Security and Housing, as requested by recommendations 11, 13, 14, 16 and 17 of SR.3/2011, "Review of Benefit Levels", concerning the interaction between high rental costs, the level of the minimum wage, income tax thresholds and Income support rates, and when will the Minister present the results of his investigations to members?

In particular, will the Minister do so before members are asked to debate the Housing Transformation plan?

Answer

This answer has been co-ordinated with the Ministers for Social Security and Housing.

The Scrutiny report "Review of benefit levels" was published by the Health, Social Security and Housing Scrutiny Panel on 28th March 2011. Ministerial responses by the Minister for Social Security and the Minister for Housing were published on 13th May 2011, and provide detailed responses to the recommendations listed in the question. The Minister for Treasury and Resources wrote to the Chairman of the Health, Social Security and Housing Scrutiny Panel on 11th April 2011 and 23rd May 2011. These letters are attached.

In respect of the report's recommendations that were directly related to the Housing Transformation Programme (HTP), the following actions have already been taken:

Recommendation 11 -The Minister for Social Security must work with the Ministers for Treasury and Resources and Housing to ensure that the mechanism for financing social housing is separate from the provision of means tested income support benefits.

As set out in “ Achieving decent homes -- an affordable housing framework for the future -- White Paper April 2012” (R.47/2012) , one of the main aims of the HTP is to remove the "hidden subsidies" within the existing rents system and to change the manner in which rents are accounted for to increase transparency.

It is proposed that rentals for social housing properties will be returned to 90% of the market value and the full cost of providing social housing will be included within the cost of income support. This will provide the separation proposed in the recommendation.

Recommendation 13: Pending a long-term solution to the funding of social housing, the Minister for Social Security must resist any pressure to cap the rising cost of the accommodation component of Income Support.

Despite significant pressures on the Income Support budget, accommodation components have been increased in both 2011 and 2012. In October 2011 all the accommodation components of income support were increased by 2.5% (P.107/2011) and in October 2012 components were increased by a further 3.5% (P.56/2012).

The HTP includes plans to fully cover the additional costs of Income Support that will be created when social sector rentals return to the 90% level.

Recommendations 14, 16 and 17 are not directly related to housing matters.

Given other pressures on departmental resources, the Ministers for Social Security and Treasury and Resources has no current plans to release any additional reports on these matters.



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1.18 DEPUTY J.A. MARTIN OF ST. HELIER OF THE MINISTER FOR TREASURY AND RESOURCES REGARDING THE COSTS OF PROVIDING THE ‘CLIENT FIXTURES, FITTINGS AND EQUIPMENT’ FOR BOTH THE OFFICES AND OPERATIONAL ELEMENTS OF THE PROPOSED NEW POLICE HEADQUARTERS:

Question

With regard to the answers provided to question 7159 (on 23rd October) will the Minister provide the following additional information –

- a) A detailed breakdown of the costs of providing the ‘Client Fixtures, Fittings and Equipment’ for both the offices and operational elements of the proposed Police HQ, identifying any amounts greater than £25,000 (and to include separately any amounts that might relate to other off-site facilities).

Does the sum of £647,000 included for the 'Client Fixtures, Fittings and Equipment' include the total costs of all elements required by the Police Service, in particular the force control room, and any associated systems costs for this and any other Police facilities.

- b) A further breakdown for all elements greater than £50,000 included in each of the 6 categories identified in the 'latest cost estimate' which provides a total project cost of £20,492,315.

Will the Minister confirm that there are no other costs excluded from the 'latest cost estimate' required for the provision of new Police facilities including, for example, new equipment or the replacement of existing equipment or other items which arise out of the need to relocate to a different site.

Answer

- a) For reasons of commercial confidentiality and to protect the States' competitive position the Minister is not prepared to provide a detailed breakdown of the Fixtures, Fittings and Equipment budget.

This is an estimated budget which has not been specified in detail. It is, however, based on the current design and the number of workstations in the building. The estimated budget only relates to all new loose fittings within the building (such as desks and lockers, etc.) and excludes items that fall within the construction budget (including specialist custody furniture, fitted furniture such as reception and inquiry desks and canteen fittings and equipment). Provision is made elsewhere in the budget for the proposed off-site facility.

The current cost estimate for Fixtures, Fittings and Equipment is for items that are directly related to the new building. Items considered to be ongoing capital replacement costs necessary for operational purposes, including the control room fit out and IT equipment and servers, will be funded by the States of Jersey Police as they will be required regardless of the proposed move. As is common practice, the new building will provide all the required IT, communications and systems infrastructure, but existing hardware and equipment will be transferred to the new site unless it is not cost effective to do so.

- b) Whilst the construction costs have been subject to a full and detailed analysis by the Project Quantity Surveyor, for reasons of commercial confidentiality and to protect the States' competitive position the Minister is not prepared to provide this breakdown. The Minister is, however, more than happy to brief the Deputy confidentially on these figures.

The Minister does not believe that there are any items excluded that would be required as part of the development of the new Police Headquarters. As explained above, ongoing replacement of equipment would need to take place anyway and should be funded by the States of Jersey Police.

2. Oral Questions

2.1 Deputy J.H. Young of St. Brelade of the Minister for Planning and Environment regarding the demolition of the former holiday camp at Plémont:

Does the Minister consider that the holiday camp at Plémont, which was abandoned by its current owners in 2000, is in a ruinous, dilapidated and dangerous condition and is damaging to the

amenities of this part of the Island? If so, will the Minister inform the Assembly why neither he nor the former Minister have used their legal powers to secure the demolition and removal of the derelict buildings?

Deputy R.C. Duhamel of St. Saviour (The Minister for Planning and Environment):

The Planning and Building Law does not define what a ruinous or dilapidated building is and the matter is therefore open to interpretation as to when these powers might be used. My own view is that it is appropriate and reasonable to apply the ordinary meanings to these words. On this basis, I consider it reasonable to adopt a position such that if the building is wind and watertight, it is unlikely to be in such a state of ruination or dilapidation as to trigger any action by way of the powers available to me under Article 84 of the Planning Law. I would, however, also wish to point out that the use of these powers is not related to any damage caused to the amenities of the Island by a ruinous or dilapidated building but rather to the condition of a particular building itself. Perhaps more significantly, in considering whether or not to use these powers, I would need to ensure that any actions that might be taken are necessary and that they are proportionate. In this respect, I would need to have regard to any intent that may be demonstrated by the landowner to deal with any potentially problematic sites before considering any legal intervention. In addressing the first point, the suggestion of abandonment, my department's view on this matter was set out in a statement of case at a recent public inquiry such that it does not necessarily consider the Plémont Holiday Village site to be abandoned in planning terms. The lengthy history of the planning applications at the site is an indication that the applicant company has not relinquished its interest in the site, nor its future, and has thus not abandoned the site or its use.

2.1.1 Deputy J.H. Young:

I thank the Minister for his answer. There are a lot of points there. To begin with, I would ask him to clarify his last comment that the Minister recorded the Planning Office's view at the inquiry that the use has not been abandoned and he says he supported that. Could he please confirm whether or not he considers that the criteria in the English case law on the subject, i.e., the condition of the building, the interim uses and the possibility of reuse, preclude that building being recovered and it is, in fact, abandoned? Will he clarify that in his own judgment, he is satisfied that the use has not been abandoned?

Deputy R.C. Duhamel:

As I am about to make a decision on the planning permissions that are being sought by the Plémont Holiday Village company, I do not think I am in a position to give a legal answer or an indication as to something which might be a material consideration in whatever events or outcomes that are caused by the decision that I might take.

2.1.2 Deputy S. Power of St. Brelade:

Would the Minister agree with me that this question is highly political and that there are far more ruinous dilapidated and dangerous buildings across the Island, including hundreds of vergées of derelict glasshouses and greenhouse sites? **[Approbation]** I would mention the Foot building at the back of the Co-op. in Charing Cross, the Le Seilleur building in Oxford Road and, indeed, I would mention the Fort Regent pool and the Jersey College for Girls. Would he agree with me?

[9:45]

Deputy R.C. Duhamel:

I think I probably would.

2.1.3 Deputy M. Tadier of St. Brelade:

Would the Minister acknowledge that the buildings at Plémont have trouble keeping out trespassers - let alone wind and water - and if the buildings at Plémont cannot be said to be dilapidated, does he think that are no buildings in Jersey which are dilapidated and that we should perhaps just get rid of this piece of law because it seems completely redundant if the Minister is unwilling and unable to act?

Deputy R.C. Duhamel:

As to a glossary of terms that I have been given, it is suggested that a dilapidated building is likely to be a building in an extreme state of disrepair. It does not mention as to whether or not barbed wire fences or other things, which would be outside of the normal Planning Law, should be erected in order to keep persons who do not have permission to enter into a particular site from entering.

2.1.4 Deputy J.H. Young:

Could the Minister, in lay terms, tell us whether he thinks that the condition of those buildings up there are firstly a hazard in polluting that area from the reports he has got and, secondly, whether or not he feels that it is capable of being restored back to a holiday camp without a planning application being made? Would he tell us that please?

Deputy R.C. Duhamel:

I think the permissions to run a holiday camp at that site are well known and still remain as an alternative option should residential development not take place on that site. I am sorry, what was the other point?

Deputy J.H. Young:

Could he confirm that the site is, in fact, known to be causing risks of contamination and will that be taken into account in his future decisions?

Deputy R.C. Duhamel:

The preliminary investigations have taken place in previous years and there are schedules that have been presented to the department as part of the planning application. Indeed, any potential hazardous materials, should the site be refurbished or indeed rebuilt or put back to nature, will have to be remediated by the responsible authorities. That is all I can say at the moment.

2.2 Deputy R.G. Le Hérissier of St. Saviour of the Attorney General regarding confidential counselling and medical information used in open court:

Under what conditions can confidential counselling and medical information be used in open court and are current procedures consistent with the European Convention on Human Rights and Data Protection legislation?

Mr. T.J. Le Cocq Q.C., H.M. Attorney General:

In any criminal case and other than in exceptional circumstances, the prosecution has an obligation to disclose to the accused any material that might undermine the prosecution's case or support the defence case. In some cases, the confidential medical and other records of a victim or a witness will be relevant to the issues before the court. The prosecution will then seek to obtain and disclose relevant parts of those records to the defence. Normally the person will be asked to consent to their records being obtained for this purpose. In the subsequent court proceedings, the defence can choose to use any relevant material that might reasonably undermine the credibility of a witness. There is a strong presumption in favour of criminal proceedings being heard in public unless, in wholly exceptional circumstances, a court directs otherwise. In any proceedings, the prosecution and the judge will be alert to ensuring that only relevant material is put to a witness. It is open to

the media to report accurately what takes place during proceedings. It is left to the media to exercise judgment as to whether it is necessary or appropriate to publicise personal and confidential material about persons in court. As to the E.C.H.R. (European Convention on Human Rights), there will usually be a stronger public interest in safeguarding the rights to a fair trial in public and freedom of expression within the rights of a witness to respect their private and family life. Confidential material will normally only be made available to the defence if the subject has consented or a court has ordered disclosure. The Data Protection Law provides that it is lawful to process data for the purposes of the administration of justice.

2.2.1 Deputy R.G. Le Hérisier:

Could the Attorney General clarify: if somebody enters into a counselling relationship in the belief that it is totally confidential and will not at a later stage of life be revealed, it is permissible that the files, the record of this counselling, can be accessed by the court without the consent of the individual? Can that happen?

The Attorney General:

In the vast majority of cases, a counselling relationship or a medical relationship is one that is afforded the highest measure of confidentiality and it is for that reason that I said that generally only such information will be sought and provided with the consent of the individual concerned. However, there remain circumstances in which it would, in my view, be entirely proper to seek the leave of the court to obtain confidential information. An example might be where the individual is no longer able to give consent, in the case of a child, for example. There will always be very anxious consideration given by the prosecution as to whether it is appropriate to force such information but it is theoretically possible.

2.2.2 Senator S.C. Ferguson:

If the disclosure includes disclosure regarding other parties, thereby undermining the position of the other parties, what redress is there legally?

The Attorney General:

It is important to remember the purpose for which information is obtained and disclosed. It is obtained and disclosed in accordance with the prosecution's obligation to the defence to provide information that may undermine the prosecution case or support the defence case. It is unlikely, I would have thought, that information relating to third parties would normally be the case and it is only relevant information that needs to be disclosed but if the information relating to a third party is relevant then it will be disclosed in the way that I have set out. As to whatever the redress may be, the disclosure is based upon the requirements of the interests of justice and, in my view, the question of redress does not arise.

2.2.3 Senator S.C. Ferguson:

Right, suppose I am the counsellor and I have been required to disclose information legally through one means or another. Do I then have to say I do not want my name mentioned in connection with this in order to keep... because obviously I do not want to be mentioned in connection with it because of the disclosure requirement? What exactly is the position? Where is the fairness in this?

The Attorney General:

I am sorry, I do not wish to be obtuse, but I do not really understand the question.

Senator S.C. Ferguson:

As a counsellor - you know, Joe Bloggs - I have given counselling to somebody. The record of that is required to be given to the court by the counsellee but can I not just knock my name off it because

I do not want to be connected with it. I do not want to be connected with the fact that the records are being exposed in court because my reputation as a counsellor will have gone kaput.

The Attorney General:

It is only relevant matters that should be disclosed in court. I do not think it would be permissible to edit whatever information is provided to the prosecution but the prosecution would only disclose relevant information to the defence and the defence should only deploy relevant information in a trial. Accordingly, the names of third parties which are unnecessary should not be deployed in a trial.

2.2.4 Senator S.C. Ferguson:

What redress is there for the third party if their identity has been disclosed?

The Attorney General:

If their identity has been disclosed in a lawful way, there is no redress as such. The court has, of course, power to order restrictions on reporting specific items of information and if a representation is made to the court through the course of the trial, it will obviously take that under consideration but it is impossible to give a hard and fast rule.

2.2.5 Deputy T.M. Pitman of St. Helier:

I fully appreciate, having sat in court, that information has to be disclosed to the defence. However, could the Attorney General advise whether there is not some kind of advice and instruction always given by the court so that the media will not report things that are quite unnecessary? I think it is quite relevant that only one of our organisations reported this type of thing very recently and perhaps that is a comment on the professionalism of that organisation.

The Attorney General:

As far as I am aware, but I cannot be definitive, there is no standard direction given by the court to the media. The court will be alive to the deployment of sensitive and confidential information and might, in the exercise of a discretion, ask the media itself to exercise a discretion but there would not normally be, in my view, any direction to the media other than in particular types of cases.

2.2.6 Deputy R.G. Le Hérissier:

Clearly, this is an enormously difficult balance to achieve and a very, very worrying issue. Could the Attorney General tell the Assembly what steps are being taken to ensure that the right balance is struck so that people do not go into court and that issues from very, very difficult periods, for example, in their early life where, for example, massive intimate information has been given to a counsellor, that these issues, be they a victim, be they a complainant or be they an alleged guilty party, are not going to be brought out to haunt them, I am afraid, in the context of a small community where, as the previous questioner said, news is very easily available?

The Attorney General:

There is, of course, a difficult balance to strike in any of these matters but it is in the interests of justice that information can be deployed that may undermine the credibility of a witness or may be relevant to what goes on in the case itself. The court and counsel are alive to the questions of relevance and, indeed, the question of sensitivity but ultimately if the information is available to the defence, it is open to the defence to deploy it and that is one of the facets of dealing with justice in the open in this jurisdiction.

The Bailiff:

Does the Assembly agree to raise the défaut on the Deputy of Grouville? The défaut is raised.

2.3 Deputy T.M. Pitman of the Minister for Home Affairs regarding the itemisation of evidence retrieved during the Haut de la Garenne investigation:

I know the Minister appreciates this was intended to be a written question. Will the Minister undertake to provide in writing a detailed audit trail identifying what items were retrieved during the Haut de la Garenne investigation, advise where they were sent for analysis, who authorised them to go, who examined them, where each item is currently stored and confirm that no items from this investigation have been lost or destroyed?

Senator B.I. Le Marquand (The Minister for Home Affairs):

The answer to the first part of the question is no. That would neither be sensible nor practical - and that would include if I had a request for a written answer - as there were 4,625 such exhibits. An audit trail does exist for each exhibit on the home system. If any Member of the Assembly is interested in any particular item, then they could ask a specific question in relation to that although, of course, I do not have full details here today. Not all exhibits were retained and a number have been properly disposed of in accordance with major crime policy. Those that were retained are stored securely at the police station. I am not aware of any such item being lost.

2.3.1 Deputy T.M. Pitman:

I thank the Minister for his answer but could the Minister then advise that in light of the Norton case, a 1960s case, where we are told that evidence no longer exists and there is that concern that it may have been helpful in perhaps overturning what some say is a travesty of justice, can the Minister at least give assurances that nothing of real importance and relevance in this case has been destroyed, as he informs us that some things have been destroyed?

Senator B.I. Le Marquand:

I would be very disappointed if anything of real relevance had been destroyed because the major crime policy should obviously retain items of relevance or potential relevance. This is particularly important in certain cases of samples - blood samples and things like that - where there have been improvements in the technology, particularly DNA testing, which may now make a successful investigation possible. I can assure Deputy Pitman that the police are well aware of this and have been reviewing some of the old cases where there was such potential material.

[10:00]

2.4 Deputy M. Tadier of the Chief Minister regarding the Terms of Reference for the Committee of Inquiry into historic child abuse:

Can I just say that obviously when I lodged this question the terms of reference had not been lodged. They have been lodged today so that changes slightly the syntax of my question but I will read it as it was. In view of allegations of political misconduct surrounding the suspension of the former Chief of Police, will the Chief Minister be proposing terms of reference for the Committee of Inquiry into Historic Child Abuse that will allow it to gauge whether there was any undue political interference in policing matters? If not, why not?

Senator I.J. Gorst (The Chief Minister):

Yes, as the Deputy acknowledges, I have today lodged a report and proposition establishing a Committee of Inquiry into Historic Child Abuse which contained the terms of reference reflecting those recommended by Verita. Neither the Verita nor the Williamson Reports suggested looking at the issues surrounding the suspension of the former Chief of Police as that is a different issue and has already been investigated separately.

2.4.1 Deputy T.M. Pitman:

Could I ask, does the Chief Minister not agree that given shortly before the suspension of the former Chief of Police, it is well known - if not documented in the mainstream media - that a complaint made to the police ended up in the hands of the former Bailiff? So should this not scratch or [indistinct] when we talk about political interference, that it goes to the judicial at the time? Should that surely not be included, because it looks to me as though this is interference?

Senator I.J. Gorst:

I am not sure quite what it is that the Deputy is asking me that he feels should have been included which has not been included. The terms of reference as drafted are indeed broad and rightly the Chairman will consider, if allegations are made in front of the committee as the Deputy has just suggested, then the Chairman would, I suspect, be able to consider them under the terms of reference as drafted and as I hope the States will approve in due course.

2.4.2 Deputy T.M. Pitman:

Could I just help the Chief Minister out and just say that as far as I am aware, I do not think Bailiffs have any role in police inquiries so if complaints made to the police end up in the hands of Bailiffs, then that must surely be something that needs investigation. It relates directly to the officer who was carrying out the child abuse investigation so I am sure it is relevant. Does the Chief Minister not agree?

Senator I.J. Gorst:

Unfortunately I do not know what it is exactly that the Deputy is referring to. I know he probably has not had time to read the terms of reference but it is my belief - and some Members may feel they are too broad - that the terms of reference are drafted in such broad terms that if allegations are made which the Chairman feels need to be investigated with regard to those investigations - I think he is referring to police investigations - then the terms of reference as drafted will allow the Committee of Inquiry to investigate them.

2.4.3 Deputy M. Tadier:

Does the Chief Minister agree that given the fact that there has been quite an unsatisfactory process when allegations were made by some that the former Minister for Home Affairs may have misled or even lied to this Assembly, that it is... and then for an in-camera debate to happen on that subject where the public cannot follow what is going on, does the Chief Minister agree that it is quite correct and a wholesome thing for the Committee of Inquiry to be able to look into these allegations to take it out of the hands of States Members and for impartial pairs of eyes to look at this issue?

Senator I.J. Gorst:

That is, I believe, what the terms of reference as proposed by the Council of Ministers indeed allow, for it to be taken out of the political arena, for the Chairman and the committee to consider issues as drafted. As I have said, they are wide-ranging and they reflect the Verita terms of reference which is what Members asked me for and care leavers asked me for and I believe that I have responded appropriately to that. If Members wish to stand up and suggest there are allegations and they have concerns in the areas, that they outline them and no doubt those will be provided to the Committee of Inquiry in due course and it will be rightly for them to consider how investigations along those lines fit into their inquiry.

2.5 Connétable P.J. Rondel of St. John of the Minister for Treasury and Resources regarding the maintenance budget for Plat Douet School:

Further to the report in the media on 20th October 2012 where a group of children were photographed near a gaping hole on decaying wooden decking at Plat Douet School, would the Minister advise what the maintenance budget is for this school, who is responsible for keeping the fabric of the school in good order and who inspects these structures?

Senator P.F.C. Ozouf (The Minister for Treasury and Resources):

I am delighted to answer a matter important to the Constable's heart. Jersey Property Holdings is responsible for maintaining the fabric of Plat Douet School and I am pleased to say has an allocated budget of £24,661 for 2012 for planned and routine maintenance. In the period since 2009, I can advise that Jersey Property Holdings has spent a total of £390,000 on all types of maintenance at this excellent school. In addition, the Education Department also holds a minor works budget that is used by the school for small-scale works and projects and in 2012, this budget was £22,745. I think the *J.E.P. (Jersey Evening Post)* article was somewhat unfortunate as I am advised that the damage to the decking only recently happened and that the only area, as misreported by the *J.E.P.*, was in fact the decking, not half the playground. The school had also not unfortunately contacted either Jersey Property Holdings or the Education Department over the matter. Had normal reporting processes been followed, this would have already been dealt with. The responsibility for the cost of the repair lies with the school, not with J.P.H. (Jersey Property Holdings) or the Education Department. Inspections are also carried out by both J.P.H. maintenance staff and by the school's caretaker. I can also advise that my Assistant Minister and I offered yesterday to go round and fix the hole if it had not already been dealt with.

2.5.1 The Connétable of St. John:

It would be interesting to see the Minister with a hammer and chisel in his hand. Given the Minister for Treasury and Resources sanctioned some months ago Jersey Telecom keeping certain fundings so as to invest in broadband, would it not have been better for that funding to go into the Exchequer so as to help fund all our existing infrastructure instead of adding more infrastructure to the Island's budget in the long term? Given that Telecom is wholly owned by the Island, and we are not maintaining our current budget - this proves it - as it should be, is he really happy that we have got this right?

Senator P.F.C. Ozouf:

The Connétable requires the Minister to answer the questions and, of course, Property Holdings are ably dealt with by Assistant Minister so I had to do a lot of work yesterday to understand all these issues. I have to say that I am very impressed with what I learned yesterday about the repairs and maintenance budgets. We can see here that Plat Douet School has got money allocated for preventative maintenance and reactive maintenance. I very much regret that a *J.E.P.* story which was designed to achieve, I think, other things, where a group of schoolchildren were used to try and make a political point about repairs and maintenance which I am afraid does not exist. There are good budget arrangements for preventative maintenance, so I have offered the Connétable if he wants to come and join me and take a trial of an iPad, I want to see iPads in schools across the Island. That is the kind of forward-looking world that we should be looking at. It is not the case any longer - and we are going to be discussing this in the Medium-Term Financial Plan - that repairs and maintenance are not sufficiently funded. It is properly funded and I am afraid the Connétable should not be drawn into a frankly *J.E.P.* improving circulation report in order to conclude that there is a problem with repairs and maintenance at Plat Douet School.

2.5.2 Deputy T.M. Pitman:

He has not been able to fix the “black hole” so I am not sure I have confidence that the Minister can even fix a hole in the floor. I was going to ask the Minister about this. I know journalism is a bit cynical but it does seem that this was a bit exploitative of children. I think he agrees with that so I probably have not really got a question as he has touched on it.

Senator P.F.C. Ozouf:

I do agree...

The Bailiff:

I am sorry, he did not ask a question. Deputy, this is question time.

Deputy T.M. Pitman.

Does the Minister think it was exploitative to have that story done in the way?

Senator P.F.C. Ozouf:

I think the Deputy, as I indicated, makes an important point. The One Foundation who were doing some fantastic work in allocating £10,000 to Island schools - and I have a list of all the projects - they have been made not because there is a problem with the maintenance, because schools have had, like Helvetia House, Mont à l'Abbé School, St. Christopher's School, St. Clement's School, St. Saviour's School, a number of exciting additional projects to include in their facilities. The One Foundation are doing great work but I think it is really unfortunate that schoolchildren were photographed looking at a hole in decking which is a small hole that could have been replaced. It could have been dealt with straight away by the arrangements that have been put in place and this story gave the impression of a misleading problem at Plat Douet School. It also inaccurately reported that half the playground had been shut off. That is not the case.

Deputy T.M. Pitman:

I thank my friend, the Minister, for his answer.

2.5.3 Deputy M. Tadier:

What mechanisms does the Minister have for perhaps speaking to the Minister for Education, Sport and Culture to make sure that funds are used to fill these kinds of health hazards first before we go issuing hand-held devices to primary school kids when they could easily fall over in that hole and break their hand-held devices and that would be a terrible waste of money? I am sure the Minister would agree.

Senator P.F.C. Ozouf:

I agree but really there will be, of course, a problem from time to time in the fabric of a school and, as I have indicated, there are sufficient resources both at Property Holdings and the Education, Sport and Culture Department for the school to ring the helpline and a problem will be fixed straight away. On this occasion, it did not happen and that is a matter of regret. No doubt the schoolteacher was trying obviously to get that £10,000 allocation from the One Foundation and perhaps they wanted to make a point, so I am not criticising the school, but there certainly is not an issue about the repairs and maintenance arrangements for our schools which have now been significantly strengthened. I have been impressed to learn all that I have done so in the last 24 hours by Property Holdings and what they have been doing to keep the fabric of our schools which is generally excellent in a good state of repair.

2.5.4 Deputy M. Tadier:

Does the Minister agree that if this newspaper article was not about some hole in decking that the *J.E.P.*, all of our media, could be full every day and every night with the results of the funding

cuts? Because I have constituents in my district who have seen their social security cut for apparently no reason, who are so desperate - and this is right across the board in the States - and they do not see any action taken when reasonable requests are made to the point that where they say: "Should I go to the media about this? I think this is the only way." Does the Minister acknowledge that we have to have more joined-up Government, we have to target our funding more directly so that the public do not have to feel that the only option they have got is to blow the whistle in a very public way of what are shortcomings of this States Assembly?

Senator P.F.C. Ozouf:

We are going to enter what I hope is going to be an excellent debate on the Medium-Term Financial Plan and we are going to be debating exactly how we should allocate resources over the next 3 years. This is not an example of a failure of a States department in terms of lack of funding. The Deputy raised a number of other important points and frankly if he is unhappy or was unhappy with the allocation of funding set out in the Medium-Term Financial Plan, then we should be debating amendments to that in order to effect to allocate where money where we are doing and the Medium-Term Financial Plan that we are going to go on to discuss is a plan about investment in public services.

2.5.5 Deputy T.A. Vallois of St. Saviour:

As in Housing, is there a decent standard in which Jersey Property Holdings have to ensure that schools are at an appropriate level of building maintenance? If so, are we at the appropriate levels?

Senator P.F.C. Ozouf:

I think that is an excellent question and I have certainly, as I say, examined yesterday with my Assistant Minister and got information from officials at Education and Property Holdings about whether or not the budget was available. If we take this case study for Plat Douet School, I have already mentioned the numbers and I think that £390,000 for this school on improvements and maintenance is, in fact, a pretty good figure. It also should be said that now Property Holdings are getting much better value for money out of not only the money that they are deploying but also getting in effectively the revised procurement arrangements. So if this is a case study, then this is a good issue and I think we can say that our schools generally, having had tens of millions of investment in recent years, are in a good state of repair and where they are not, in terms of St. Martin's school, for example, we are correcting it.

[10:15]

2.5.6 The Connétable of St. John:

I am pleased to hear that the Minister has been doing a lot of research in this area because he will have seen a letter that I wrote to the Education Department at the early part of my term of office, just under a year ago, about maintenance at St. John's school which I had to draw to their attention that needed doing. Therefore, he will have seen that letter so this is another one, another school in another part of the Island that has not had the maintenance. Will the Minister agree that by having raised this, it has brought to the fore to the Minister exactly what goes on within his department and that if he brushes up by having questions like this on all the other areas of his responsibility, it may help him to know exactly what is going on out there in the Island?

Senator P.F.C. Ozouf:

I am always happy. The area of Property Holdings has been deputed to Deputy Noel who is doing an excellent job in relation to this whole issue of reform in Property Holdings. **[Approbation]** I do not know what the Connétable's point is. We have investigated a problem of an unreported piece of plank on a piece of decking.

The Bailiff:

Minister, I do not think you need to repeat what you have already said.

Senator P.F.C. Ozouf:

I do not think there is a problem so he is trying to get me to conclude that there was a problem when effectively I think I have explained quite clearly that in this case, there was not. If he has got any other problems, then please go to the Assistant Minister because he certainly will solve it.

Senator L.J. Farnham:

A very brief point of clarification, has the hole been fixed or not?

Senator P.F.C. Ozouf:

I am advised that as of yesterday, because it had not been reported, it had not been but if it has not by lunchtime, then the Assistant Minister and I will go down with our hammers and solve it ourselves.

2.6 Deputy M.R. Higgins of St. Helier of the Minister for Home Affairs regarding requirements for special entry visas in respect of foreign journalists or writers visiting Jersey:

Will the Minister advise whether foreign writers require a special visa to enter Jersey and write about what goes on in the Island and if so, under what piece of legislation is this administered? What was the role, if any, of his department in the exclusion of Leah McGrath Goodman from the United Kingdom on her way to Jersey?

Senator B.I. Le Marquand (The Minister for Home Affairs):

Section 3A(1) of the Immigration Act 1971 as extended to Jersey by the Immigration (Jersey) Order 1973 allows the Lieutenant Governor - that is the office of the Lieutenant Governor - to impose conditions on those of non-European Economic Area nationality seeking to enter the Island. The Lieutenant Governor has issued directions that among other things set the categories and requirements applicable to persons seeking to come to Jersey to undertake work. There is a wide range of such categories and they include those applicable for working writers and journalists, some of whom would require entry clearance visas. The service has given advice to Ms. Goodman on 2 possible categories that she could apply for, either as a writer she could apply for a visa up to 2 years or as a journalist, that is normally a person who is employed by a newspaper or something of that nature, under the business visitor category. The service had no direct role in the entry refusal of Ms. Goodman at Heathrow Airport on 11th September 2011. Immigration decisions and actions were taken solely by officers of the U.K. (United Kingdom) Border Force. It is understood that the U.K. officers did refer to a report of a meeting that had been held between Ms. Goodman and officers of the Jersey Service in July 2011 which meeting had been arranged after she had sought advice on her immigration status. At that meeting, she was advised that the most appropriate immigration category for her to come to and work was as a writer in the Island. As a matter of routine, a record of the meeting was placed on a national immigration database was successful by immigration officers in the U.K. as well as Jersey and elsewhere. This was the only involvement of the Jersey Service in the immigration of Ms. Goodman.

2.6.1 Deputy M.R. Higgins:

Can I just clarify the position? The Minister is saying that his officers made no recommendations to the U.K. authorities to prevent Ms. Goodman from entering into the U.K. and therefore to Jersey. Is that correct?

Senator B.I. Le Marquand:

Yes, that is indeed my understanding. What they did, because they had had contact with her and knew that she was thinking of coming, is they placed information to the effect that she might be seeking to come into the British Isles for this purpose but they had no direct contact on the day or round about the period when she was refused entry.

2.6.2 Deputy T.M. Pitman:

Obviously I am in a bit of an advantage because I have seen the files. Can the Minister for Home Affairs tell us if it is normal to have highly respected best-selling authors and journalists monitored and indeed informed upon by 2 individuals?

Senator B.I. Le Marquand:

I do not know anything about that whatsoever because I do not have the advantage of having seen the files.

2.6.3 Deputy T.M. Pitman:

With respect to the Minister for Home Affairs, we are talking about a highly respected international journalist, not a terrorist. Why would immigration or police be monitoring the lady in question and her partner and why would there be reports on her? She had not broken any law.

Senator B.I. Le Marquand:

I do not know anything about that at all.

2.6.4 Deputy M. Tadier:

I think the Minister said that the service played no direct role in her being refused to come to Jersey and that they had no contact on the day that she was refused entry. Can the Minister confirm whether then the service did play an indirect role in her being banned from coming to Jersey and whether they had contact on previous days before she was refused entry to Jersey?

Senator B.I. Le Marquand:

I thought I had given a detailed answer to that already which was to the effect that they did provide information on the system in relation to her but I have already dealt with that in great detail. It was that information to which the U.K. authorities had access. The trouble in relation to this case is that unfortunately the lady was not truthful with the U.K. authorities and that is what caused her the difficulties which she experienced.

2.6.5 Deputy T.M. Pitman:

It is unfortunate that the Minister is making allegations that somebody lied to the Immigration Service in the U.K. or in Jersey when she is not here to defend herself. Would the Minister consider taking that back?

Senator B.I. Le Marquand:

No, I will not. I have said that on previous occasions. It happens to be the truth.

2.6.6 Deputy M.R. Higgins:

Does the Minister not recognise that obviously there is concern about the fact that this journalist was excluded, especially when she was investigating the Haut de la Garenne affair and all sorts of, we could say, political and other shenanigans that have been going on? Does he not think that it has damaged the reputation of the Island internationally because certainly that is what is going out there in the international media?

Senator B.I. Le Marquand:

The lady in question seems to have misunderstood what happened to her and why it happened to her. The department has tried very hard to explain to her what she needed to apply for and why and has had great difficulties in getting her to understand that. I accept that her account of versions, which has been relayed by some of the U.K. press inaccurately, may have done us some damage but that is unfortunate.

2.7 Deputy G.C.L. Baudains of St. Clement of the Chief Minister regarding software replacements in 2013:

Would the Chief Minister explain what software his department wishes to replace in 2013 at a cost of £663,000, how many PC's are involved and why H.R.I.S. (Human Resources Information Services) requires replacement after a relatively short time at a cost of £740,000?

Senator P.F. Routier (The Assistant Chief Minister - rapporteur):

Information Services are partway through a £1.4 million project to replace the existing ageing desktop software with Microsoft Windows 7 and Office 2010. The project will replace Windows XP, Office 2003 and 2007. This upgrade will, as well as being operationally necessary to ensure ongoing capability, also provide several benefits: improved security, improved performance for users, more efficient centralised support, rapid and efficient deployment of future upgrades and the potential to save costs on future desktop equipment requirements. This upgrade currently will be working across 3,800 workstations across all departments. With regard to the H.R.I.S. system which was implemented in November 2007 by Shared Services in Treasury and Resources and sought to consolidate H.R. (Human Resources) databases from the previous committee system, a subsequent independent review of H.R.I.S. took place in 2010 which determined that the current system design was inappropriate for the future needs of the States of Jersey given the developing vision for the reform of the workforce.

2.7.1 Deputy G.C.L. Baudains:

Regarding the H.R.I.S., we are told on page 132 of the plan that we are about to debate, it is 5 years old and has not been fit for purpose during its lifetime. Could the Assistant Minister explain why it has not been fit for purpose and is there any comeback on the suppliers. In relation to the...

The Bailiff:

I think one question at a time if you would, Deputy, because otherwise it gets too complicated.

Senator P.F. Routier:

I can only obviously endorse what is already written in the report that the Deputy comments on. It was unfortunately a system which is not fit for purpose and it is recognised... there was a report done in 2010, which a couple of the conclusions from it was that the system is expensive to run for limited benefit received and leads to unnecessary time wastage. There are a number of deficiencies which could lead to erroneous decision making or lead to errors in salary calculations. H.R.I.S. is not tailored for multi-disciplinary organisations like the States and there are a long list of things which do identify that the system was not fit for purpose. With regard to any comebacks on who provided the system, unfortunately because it was a grouping together of all our existing systems and it was tailor-made for it, it is not really something that we can go back on. We just really need to go forward and scope for a new system which is in the plan for the future.

2.7.2 Senator S.C. Ferguson:

It seems to me that this is the third expensive set of H.R. software that we have got. We had JD Edwards, we had H.R.I.S., now we are starting on another. Would the Minister find out and come back to the Assembly and tell us exactly how much money we appear to have wasted on systems that do not work?

Senator P.F. Routier:

Firstly, I should point out that the JD Edwards was not an H.R. system as such. It was more accounting processes across departments, but in saying that, the Senator is obviously making a valid question. There is a continual rolling budget for improvements to equipment across the States and we need to recognise that it is an expensive thing to be operating. It is recognised that our current system is not fit for purpose and we need to move forward.

The Bailiff:

The question was though, Minister, would you be willing to say the cost of these 2 items which are no longer fit for purpose? That was the question. Would you be willing to work out and tell people what the cost of these 2 systems that the Senator mentioned was?

Senator P.F. Routier:

I can certainly ask the department to look at what that cost is, but I think it will be extremely difficult, because what it was doing was bringing together various systems across various departments and I think to get that cost finalised might be tricky, but certainly we will do our best to provide that information.

2.7.3 Senator S.C. Ferguson:

The Senator states that JD Edwards was not meant to be used for H.R. purposes. My Public Accounts Committee was looking at JD Edwards and it was one of the selling points of that particular system. Would the Senator kindly look that up and confirm my understanding of that? I am very disappointed that he says that it is going to be so difficult because, as we said last session, can we please have a little more of can do and not cannot do?

[10:30]

Would the Assistant Minister not agree that it is time for can do and not cannot do?

Senator P.F. Routier:

I certainly agree that it is time for a can do attitude with regard to this and hopefully what we are moving forward with is a can do approach to ensuring that we do have a good system in place for H.R. to take that forward. The Senator does refer back to the JD Edwards and what the Public Accounts looked at in the past. The functionality for human resources in the JD Edwards was an add-on, which was not something that at the time was included in what the States department took into the system. It needs to be recognised that the move from having 24 pay groups and 6,500 staff spread across various departments was quite a big change to move to the H.R.I.S. system and unfortunately it has not, as I say again, proved to have been the right choice at that time. We are now in a position where we recognise that and we need to go forward and have a new system.

2.7.4 Deputy G.P. Southern of St. Helier:

What evidence can the Minister produce to this House today to suggest that the next system will be any more fit for purpose than the last one?

Senator P.F. Routier:

I thank the Deputy for that question. Certainly when the funds are agreed - hopefully over the next couple of days - for providing a new system the scoping work will be carried out. I have a lot of

faith in the new team in the I.S. (Information Systems) Department and the H.R. Department and they were working to bring forward a new system. I can give an assurance they will give their best endeavours to ensure the new system is appropriate.

2.7.5 Deputy G.P. Southern:

An assurance then but no evidence today that a new system will be any better at doing its job than the last one, which appeared to be a total mess.

Senator P.F. Routier:

The scoping work will start as soon as we know that the money is available and as long as this House provides the funds for the work to be carried out it will be properly funded and properly managed.

2.7.6 Deputy S.G. Luce of St. Martin:

The answers that the Assistant Chief Minister is giving us are not really satisfactory or pleasant listening this morning. Could I just ask him how long has this system not been fit for purpose and why has action not been taken sooner?

Senator P.F. Routier:

I can only agree with the Deputy that it is not very pleasant having to give these answers as well. It is having been made aware of the situation myself only in the last few weeks but the department... a review was carried out in 2010 which identified that the system is not appropriate and fit for purpose. Obviously the process of bringing forward new plans and new budgeting is where we are today and hopefully we will be able to move forward.

2.7.7 Deputy G.C.L. Baudains:

I have 2 parts of the question if you will allow it. Firstly, the H.R.I.S. system, with £750,000 to replace it, it is clearly an expense of the States. Can the Minister assure me that this has been looked at so that in the future similar mistakes will not be incurred? Secondly, regarding the operating systems, I presume that it was an upgrade from XP to Windows 7 and possibly Office needs upgrade as well. If it was only XP the sum of £663,000 would upgrade around 26,000 PCs. If we include Office suite, probably over 3,000 PCs. Can the Assistant Minister assure us his department is getting value for money because it does not seem like it?

Senator P.F. Routier:

Sorry, I have forgotten the thread of the first question now.

Deputy G.C.L. Baudains:

The first part of the question, on the H.R.I.S. £750,000 was saved. Can the Assistant Minister assure us that we have learnt from this and similar mistakes will not reoccur?

Senator P.F. Routier:

Certainly, I think the officers in the departments are very aware that there have been some expensive mistakes made in the past with regard to this. We need to ensure that they are given support for taking forward the new system and we can give them as much encouragement and support to make sure that they scope the new system effectively. I can assure the Deputy and Members that we will be keeping a very close eye on the way it goes forward in the future. With regard to the upgrades: various departments have been on various systems, whether it has been XP or Windows of the various years. The value for money is something which we need to rely on in the department to ensure that they are getting value for money and I know that they are under a lot

of pressure to ensure that is the case and we will be doing the best we can to ensure that we do get value for money.

2.8 Senator S.C. Ferguson of the Minister for Health and Social Services regarding the introduction of Liverpool care pathway by the End of Life Group:

Is the End of Life Group planning to introduce the Liverpool Care Pathway which is used at the bedside to drive up sustained quality of the dying in the last hours and days of life and, if so, why?

Deputy A.E. Pryke of Trinity (The Minister for Health and Social Services):

The Liverpool Care Pathway is already used within my department, Jersey Hospice Care, Family Nursing and Homecare and in nursing and residential homes across the Island. It is the recognised integrated model of best care and to support consistent patient centred symptom management during the final stages of life, which is considered to be the last 72 hours, whether they are dying at home, hospice or care homes and is promoted as such by N.I.C.E. (National Institute of Clinical Excellence), royal colleges and other palliative care organisations. Our doctors, nurses and care staff use the Liverpool Care Pathway as a guide to make professional judgments in partnership with our patients and their families and friends. They do so in order to help to ensure that Islanders at the end of their life can die with dignity and without unnecessary suffering. The dying process is unique to each person but in some cases a plan of care can be put into place to support patients, relatives, doctors and nurses to achieve the best quality of care at the end of life.

2.8.1 Senator S.C. Ferguson:

Supplementary, Sir. Given the current unease and heated discussions within the medical profession regarding utilisation of this procedure and the unhappiness of some of the families to whom it has been applied, what checks and balances has the Minister got in place and will she come back to this Assembly and confirm them to us?

The Deputy of Trinity:

I can understand the concerns raised about the Liverpool Care Pathway in the U.K. but they relate not to the Pathway itself but how it may be applied in some circumstances. Particular cases considered it may have been used as a device to hasten death but these concerns may have arisen because staff have not been properly trained in how or when to apply the Liverpool Care Pathway and has been compounded by some disquiet about U.K. hospitals being paid to use that pathway. The situation here is very different. There is no suggestion that we are driven by targets, nobody is paying us to use the pathway and we have a strong focus on training. For the last 2 months Health and Social Services had in place a specialist Liverpool Care Pathway nurse funded by Macmillan who provides training across local palliative care settings.

Senator S.C. Ferguson:

I asked about detailed checks and balances. How will the Minister prevent this from becoming a charter for euthanasia?

The Deputy of Trinity:

This end of life process is one of the most difficult processes that patients and families go through and it is stressed that it is not euthanasia. It is trying to make the best quality of care at the very end of one's life and the hospice movement have been pioneers in achieving that and they should be congratulated. **[Approbation]** As I said, it is difficult and it makes sure that the best quality of care for everybody, not only patients with cancer and motor neuron disease. Everyone should be able to have access to that end of life quality and this is what the Liverpool Care Pathway can

achieve with communication with patients, families and relatives. To achieve that training is vital and that is why I said that there is a nurse specialist funded by Macmillan, and I would like to thank them for that funding, in place to ensure that that pathway is right and proper training, not only to the nurses, but across Jersey in care homes and residential homes.

2.9 Deputy G.P. Southern of the Minister for Treasury and Resources regarding company tax receipts derived from finance sector profits:

Given that the 2010 figures for income tax receipts reveal company tax at £83 million out of a total of £395 million in 2008, the relevant year for company tax, does the Minister have an estimate for the proportion which was derived from the finance sector profits of £1,520 million and will he inform Members what equivalent figures he has for the total income tax for 2012 of £430 million and if not why not?

Senator P.F.C. Ozouf (The Minister for Treasury and Resources):

The company tax figure of £83 million relates to tax on profits derived by companies in their financial period ending in 2009, not 2008 as stated in the question. The total profits for the financial sector as a whole, as published by the Statistics Unit, an entirely separate analysis for 2009, are in fact £809 million. Notwithstanding the above, as I have repeated before, this data cannot be used to give an accurate, effective tax rate for financial services companies. The Deputy asked a similar question on 29 March 2011 and I will circulate that answer for Members' benefit later this morning. The important point is that the Statistics Unit figures provides figures which are forecast, which include both zero and 10 per cent companies. Even if they are broken down they cannot be compared to the separate Taxes Office which is actual assessments of individual companies, which will be different. They have different year ends. There are all sorts of difference of comparisons. The Taxes Office have, of course, a narrow definition for 10 per cent companies. I will circulate more information on the up-to-date figures as requested by the Deputy later today. This question probably would have been more suitable for a written question although I am afraid that they will not give the answer to the Deputy that he is seeking that there is not effectively an accurate, effective rate for financial services companies that can be used and relied upon for any political decision making. The figures are better suited effectively to a comparison of 2 entirely separate matters.

2.9.1 Deputy G.P. Southern:

Just for clarification, the Minister is saying that he has got no figures for him to enable him to measure how much tax he is taking from the finance sector and how much tax he is taking from other sectors in the economy. Is that the case?

Senator P.F.C. Ozouf:

No, the Deputy is asking me to effectively take a financial services 10 per cent figure and put that as a percentage of an entirely different population of numbers - an apple and pear comparison - and is effectively trying to make a political point, as he has done before and I understand why he is doing it, in order to come out with an effective rate for the whole of the financial services issues. It is 2 entirely different issues. The Statistics Unit are calculating the overall profitability of financial services including zero and 10 per cent rate. The Income Tax Department is assessing to tax what the company tax for financial services is.

[10:45]

I can advise the Deputy that in terms of 2009 it was £43 million, 2010 is £39 million and 2011 is estimated to be £47 million. They are 2 completely different topics.

2.9.2 Deputy G.P. Southern:

Interestingly the figures are significantly lower. Will the Minister address the point that the figures for 2010 suggest that 21 per cent of our tax was coming from companies whereas for 2012 or 2013 the estimate is going to be 16 per cent? Is this a trend that he envisages going on through his Medium-Term Financial Plan that company tax will reduce as a proportion of the total tax take?

Senator P.F.C. Ozouf:

I do not think the Deputy will be surprised to note and to conclude that financial services profits have fallen in recent years. We have been through the biggest, greatest recession that the world has seen and this has dramatically affected financial services companies' profits, including some of those that are within the 10 per cent band. We in fact collect in Jersey a greater proportion of financial services companies within the 10 per cent band. I note with interest that other Crown Dependencies are moving to the wider definition that we have in 10 per cent. I am afraid the general point that he is trying to make cannot be made. You cannot compare apples, which is total financial services profits, with effectively trying to get an effective rate for those companies that we deal with at 10 per cent.

2.9.3 Deputy T.M. Pitman:

This relates to Deputy Southern's last question but I hope it is not stretching the point too far. Given the concern in the U.K. at the moment about companies quite legally, although perhaps not ethically, shifting profits around to reduce their tax rate, can the Minister advise whether he thinks in comparison Jersey's regulations are quite tight enough to see that we do not see a complete disappearance of company tax because that seems to be the way we are going?

Senator P.F.C. Ozouf:

We had to make a very difficult decision in relation to setting that 10 per cent rate and that £100 million deficit that we saw denting our revenue was primarily, as I have answered on many occasions in Assembly, because of the move of 20 per cent rate of tax down to 10 per cent and the Deputy is absolutely right. The difficulty with that is that we face competition. The Isle of Man set their 10 per cent rate, certainly with an eye to the 12.5 per cent rate in Ireland, and if there was a general move that we could compete to increase corporate tax we would not. But the reports that I issued a couple of weeks ago on business tax indicated that Jersey has to continue to compete. Certainly the Tax Department is extremely tough in ensuring that we get the 10 per cent rate, but I frankly do not see a world in which there are going to be tax rising measures in the comparative jurisdictions that we have. Guernsey and the Isle of Man already tried effectively to have more in zero and they did not pull more business. We made the decision to keep the wider definition of the 10 per cent and I would ask the Deputy to judge on our record of just how successful we are in collecting the corporate tax that we can.

2.9.4 Deputy G.P. Southern:

Do the figures just released by the Minister indicate in fact that the effective tax rate on the finance sector is around 5 per cent?

Senator P.F.C. Ozouf:

Absolutely not. The Deputy tries to make this point of comparing the total profitability of financial services, which will include 0 per cent companies. The whole foundation of a financial services industry is dealing with tax neutrality. That does not mean to say those companies are not paying tax somewhere but we deliver tax neutralities and zero-based entities. He is trying to take the whole of the population of the financial services profitability and comparing it with the narrow amount of businesses that pay 10 per cent and trying to come out with an effective rate. I

understand the political point that he makes but I am afraid it is simply not a fair and just one and an accurate one. I would urge him not to engage in this attempt to link these 2 issues which are, I am afraid, apples and pears.

2.10 The Connétable of St. John of the Minister for Economic Development regarding the breakdown of the Airport Instrument Landing System:

Given that part of the airport I.L.S. (Instrument Landing System) has been out of action since 28th September and the St. Martin V.O.R. (VHF omnidirectional radio range) beacon off-service since 5th September 2012, on how many occasions have both systems been out of action together and for how long, what back up is available and how many technicians support this system compared to 5 years ago?

Senator A.J.H. Maclean (The Minister for Economic Development):

For the avoidance of doubt I would like to start by reassuring Members that at all times safety is of paramount importance at Jersey Airport. It is, therefore, very rare for both airport Instrument Landing System and the St. Martin V.O.R. to be out of action at the same time. Based on information provided to me by the Airport only this morning it has only happened twice in the last 5 years, the latest being between 25th September and 27th October of this year. The V.O.R. or omnidirectional radio range finder to which the Connétable refers is in fact largely irrelevant to this issue because it is principally an en route navigational aid and, in any event, relates to the aircraft approaching the runway from the other direction on to runway 27. There is a further en route navigational aid - which is a non-directional beacon - that was fully functional on runway 09 where the I.L.S. was out of service. Both these devices can be used for aircraft approach but not to the same extent of course as the Instrument Landing System. With regard to technicians, following a review of the Air Traffic Engineer Unit in 2007 there has been significant restructure. This has resulted in specific specialism's being created within the unit for the maintenance of systems. Meanwhile the commissioning of equipment and specific projects is now contracted out to suppliers and manufacturers who have a high concentration of expertise. This has led to an overall reduction of staff at Air Traffic Engineering from 23 in 2007 to 10 today. However, 5 of these are specialists in navigational aids, which exceed most comparable airports.

2.10.1 The Connétable of St. John:

I am concerned at what I have just been told; very concerned. Given that infrastructure - as the Minister will know - is an area that I have got great concern about and lack of funding. Is sufficient funding in place to maintain the infrastructure at the airport and, if not, what is the Minister going to do about it? Also, with spares - and obviously they are not kept on Island - if sufficient funding is required to carry certain spares, will that be put in place so we do not have a scenario like we have had for the last month again?

Senator A.J.H. Maclean:

To reassure the Connétable and Members hopefully, first of all the Instrument Landing System is in the capital programme for replacement in 2015 at a cost approximately of £1.5 million. Yes, it has been contained within forward projections as one would expect. As far as maintenance is concerned, there is ongoing maintenance, yes, within budget. There is no shortage of funding with regard to maintenance. I think the key issue here is that we need to recognise that this was a most extraordinary circumstance during bird control - which is clearly vitally important at all airports - damage was caused which was noted on the monthly checks that occur on this particular piece of equipment, which is again understandable from a safety perspective, but nevertheless I have every

confidence that there is appropriate funding in place to ensure that this equipment is properly maintained and indeed replaced when the time comes.

2.10.2 Deputy M.R. Higgins:

I am pleased the Minister mentioned the fact that the equipment was damaged during bird scaring. Can he explain to us how they managed to damage the equipment and what equipment they damaged and why there were not spare parts for that particular equipment?

Senator A.J.H. Maclean:

Yes, I can. First of all I should state that there is an investigation underway and of course what I will say will be subject to the outcome of that investigation. There are a number of methods used first of all for bird control and the airport, which as Members would expect, meet all necessary international standards in that regard. There are in fact lethal weapons but those are used only as a last resort with persistent birds to avoid bird strikes. There are zone guns, which are loud noises, there are lasers and there is a whole management programme in place to minimise bird issues at the airport. As far as the damage to the I.L.S. system, that was caused by, we understand, a pellet which punctured part of the casing and caused moisture to get into some of the cabling. There is back up resilience to all safety critical components of the Instrument Landing System, as one would expect, but this is a most unusual circumstance and this cabling is specialist cabling that the manufacturer did not have in stock which led to the extended delay in 09 being out of commission. I agree with the Deputy that this was unacceptable, the Connétable as well. It lasted too long and indeed as part of the investigation procedures will be reviewed as to whether indeed anything should be addressed for future.

2.10.3 Deputy S. Power:

It is in relation to the actual shooting out of part of the I.L.S. system by accident. Can the Minister confirm to the Assembly whether there was any other damage to any other equipment on the date in question as my understanding is that the I.L.S. equipment is close to other equipment?

Senator A.J.H. Maclean:

No, I am not aware of any further damage. Quite simply the damage was to some casing which meant that the cabling had moisture content allowed into it and that indeed caused the problem. I should also perhaps point out to Members that the I.L.S. system was still functioning perfectly satisfactorily. It was only upon the advice of the manufacturers that it was assessed that there was a risk and this was done on the monthly checks. The equipment is checked monthly, as I pointed out, that it was wise to take it down and replace the area that was causing some concern. It was functioning at the time.

2.10.4 Deputy J.M. Maçon of St. Saviour:

I have also heard accounts of this particular incident from the airport. Is it not the case that this particular system had not had one pellet shot, it had several pellet shots in it, that it was not the case that they were doing bird strikes? It was at night dealing with the vermin problems of rabbits. Is it not the case that no record was kept about who has done this work? Is the Minister able to confirm that this is the situation?

Senator A.J.H. Maclean:

It seems to me the Deputy is very well informed and I am sure the content of what he has just mentioned to the Assembly will come out as a result of the investigation. Yes, I believe indeed it was rabbits but of course rabbits are linked directly to bird control and, of course, if there are rabbits out on the airfield you are going to get more birds so the rabbits have to be dealt with as well. The Deputy is quite correct in that regard and, as I have said, there is a full investigation

afoot and we will indeed publish the results so Members will be therefore fully informed of exactly what happened on this particular occasion.

2.10.5 The Connétable of St. John:

Would the Minister agree that by a department not acknowledging that there is a problem to the public that it created an awful lot of disruption whereby travelling public, in some cases flights returned back to the U.K. or flying overhead for half an hour longer than they should have been, flights were missed, *et cetera*, and only this last week there was a... yes you admitted there was a problem, but why did you not come clean from day one so the public would have known? Can the Minister please answer why he held everyone in suspense for so long over this particular scenario?

Senator A.J.H. Maclean:

First of all, I do not think I personally held anybody in suspense but as far as the communication is concerned I think in hindsight it could have been perhaps more clearly explained so that the public were fully informed as to exactly what had happened. To be fair the weather conditions at the time were very poor and a number of flights that were cancelled were cancelled due to the weather conditions. We are looking as part of the investigation as to how many flights were disrupted as a result of the Instrument Landing System being out of service, and indeed that information will also be published so that Members are fully informed in due course. I would add, as I have said before, that the situation is thoroughly unsatisfactory and that is why an investigation is underway.

2.10.6 The Connétable of St. John:

If it was operating, as the Minister has said, and we had some bad weather with thick fog, *et cetera*, why was it not turned on? Can the Minister please answer that?

Senator A.J.H. Maclean:

Yes, I will answer that and I have stated at the beginning it was turned off for safety reasons on the advice of the manufacturer. It was working at the time that the damage was discovered but it was not deemed to be safe to leave it on. Frankly I would not want to be flying if equipment was deemed unsafe by the manufacturer. I think that was a responsible position to take by the airport.

[11:00]

2.11 Deputy M.R. Higgins of the Attorney General regarding the existence of statutory powers to prevent journalists/TV teams/writers from entering Jersey:

Will Her Majesty's Attorney General advise Members whether statutory powers exist to prevent journalists, TV teams and writers from entering Jersey and, if so, what these are?

The Attorney General:

There are no statutory powers that prevent a person from entering Jersey merely because he is a journalist, a member of a TV crew or a writer. If such a person, because he is not a British or an E.U. (European Union) national, requires a visa to come to the common travel area of which Jersey is a part and wishes to operate in Jersey, then he will be required to make that clear on his visa application to the United Kingdom Border Agency. The application will then be referred to Jersey under the United Kingdom Immigration Rules. The Customs and Immigration Service will deal with that referral by applying the Lieutenant Governor's directions made under the Immigration (Jersey) Order of 1993, which follow very closely the United Kingdom Immigration Rules. The directions provide for journalists and TV crews working for overseas media to be given entry to Jersey for 6 months. The directions also allow for a writer to visit Jersey for 2 years but not for the purposes of journalism. They also allow general visitors to carry out research for the purpose of later publication. Any person may be denied entry for failing to fulfil the grounds of general

application for a visa. This has nothing to do with their position as a journalist, a member of a TV crew or a writer however.

2.11.1 Deputy M.R. Higgins:

Can I ask the Attorney-General if these powers have ever been used, in other words, have directions ever been issued through the Lieutenant Governor's office to the U.K. authorities?

The Attorney General:

As I mentioned, the Lieutenant Governor has issued directions. I am aware that any application is considered by offices of the Customs and Immigration Department but I cannot give the Deputy any information as to what kind of directions or what kind of decisions have been made under that.

2.11.2 Deputy T.M. Pitman:

Could the Attorney General just clarify something that I think he just said: that permission could be contained in one of these visas for an ordinary member of the public to do research to later publicise that material? What is the difference between that and if I then decided to write a book? Sorry, I am just not clear. It seems to me that there are 2 categories and they are very blurred.

The Attorney General:

The category that provides for someone to come over to act as a journalist or a member of a TV crew for an overseas media is within that category of directions by the Lieutenant Governor relating to people coming in for business purposes. There is a general category of people who can come in and there is nothing to stop them conducting research for subsequent publication.

2.11.3 Deputy M. Tadier:

There is an expression I think which says a whistleblower is never sacked for the reason that he is sacked. Can it also be said that when somebody is refused entry to a jurisdiction, it may not always be for the reason given?

The Attorney General:

It may be said by some people. It would not be said by me.

2.11.4 Deputy M.R. Higgins:

Just following up on my second question. In terms of powers, although the Attorney-General would not tell me when they have been used, have they been used and have they been used in the last 24 months to 36 months and, if so, how many times?

The Attorney General:

I am sorry. I was not deliberately trying not to answer the Deputy's question. I simply do not know the answer to it.

2.12 Deputy M. Tadier of the Minister for Transport and Technical Services regarding the production of a feasibility study of an Island-wide kerb-side collection scheme for recycling:

Will the Minister advise what work, if any, has been undertaken to produce a feasibility study of an Island-wide kerbside collection scheme for recycling and is there any evidence that one system would be more cost-effective and efficient than up to 12 separate systems running simultaneously?

Deputy K.C. Lewis of St. Saviour (The Minister for Transport and Technical Services):

Since the approval of the Solid Waste Strategy in 2005, the progress in achieving Parish kerbside recycling has been disappointing. One of the limitations to increasing Jersey's recycling rates is the complexity of implementing 12 separate kerbside schemes. We have not undertaken any feasibility in regard of the combined efficiencies and we would like to pursue this but it must have the support of the Comité des Connétables if it is to be considered.

2.12.1 Deputy M. Tadier:

So I read between the lines that the Minister seems frustrated at the lack of progress, presumably though whether any individual Parish has a kerbside scheme is up to parishioners and has nothing to do with the Minister. It is simply whether the ratepayers in that Parish want to agree. Does the Minister agree that he needs to come to a policy decision and then take that to the Comité des Connétables so that they have some joined-up thinking that can take place?

Deputy K.C. Lewis:

There has been dialogue in the past, which is ongoing. Regarding kerbside recycling, St. John has paper recycling, cans, plastic bottles; St. Lawrence, paper, cardboard, cans, plastic; St. Mary, paper, cardboard, cans, plastic; Trinity, paper, cans, plastic bottles, cardboard to follow; and St. Helier, 6 per cent of the Parish has paper, cardboard, cans and plastic. St. Peter this year renewed the refuse contract and St. Brelade, T.T.S. (Transport and Technical Services) is continuing to working party with Parish officials that are tasked with investigating the feasibility of implementing a household kerbside recycling scheme when the refuse contract is due for renewal in 2014, but T.T.S. supports Parishes running kerbside schemes absolutely.

2.12.2 Connétable J.L.S. Gallichan of Trinity:

Will the Minister, when he does come to the Comité des Connétables, also bring a chequebook with him?

Deputy K.C. Lewis:

Absolutely... [Laughter] a blank cheque, yes. I think I need to bring the Minister for Treasury and Resources along with me before we do that. But the kerbside recycling is the responsibility of the Parish and they are doing an excellent job. The list I have already given to you does not include the bring-back sites which many people, including St. Saviour, have very big bin bags with local recycling points.

2.12.3 Deputy M. Tadier:

It seems to me, if I read between the lines, the Minister is saying that there is not one clear champion of recycling in the Island, that this is falling between 3 stalls, that of his Ministry, the Minister for Planning and Environment and the Comité des Connétables. Could I ask the Minister what level of cross-departmental work is going on with the Department of the Environment in order to ensure optimal systems are put in place and, bearing in mind, I would like to get the same kind of answer from the Minister for Planning and Environment, one that tallies?

Deputy K.C. Lewis:

I think we all are singing from the same hymn sheet with that respect, but basically everything is handled by the Parish until it gets to the T.T.S.

2.13 Deputy G.P. Southern of the Minister for Transport and Technical Services regarding the corporate structures of HCT Group and CT Plus and their status as social enterprise institutions:

Will the Minister explain to Members how the corporate structures of HCT Group and CT Plus enable those companies to maintain their status as social enterprise institutions and how the ownership of assets such as buses or depots is financed?

Deputy K.C. Lewis (The Minister for Transport and Technical Services):

The Deputy will know a social enterprise is a business concept and not a legal identity. The HCT Group is the parent company for CT Plus Jersey and many other operating companies in the Group. These operating companies themselves range from share companies, community interest companies, industrial and provident societies and charities. All these operating companies, apart from joint ventures, are wholly owned by the HCT Group. HCT Group itself is a charity and is also a company limited by guarantee. Therefore, the Group and all the companies within the Group are covered by the asset lock which all charities have. This means the assets of the company cannot be disposed of for private gain. The aims of the charities and the community interest of the community interest companies are clearly stated and reported on. As for the financing assets, these are financed in a variety of ways: lease financed, hire purchase, social investment, to name but 3.

2.13.1 Deputy G.P. Southern:

I look forward to seeing that answer in writing to see what it means. In the meantime, the charitable legal website, Get Legal, describes HCT's corporate structure as allowing HCT Group to separate the risks associated with its businesses in different limited liability vehicles. The social mission of each of these vehicles is protected through charitable status most often, which sends a clear message to the public that the organisation is a social enterprise. What role will charitable status play in the delivery of bus services by CT Plus?

Deputy K.C. Lewis:

I am not quite sure where the Deputy is coming from with that one but if CT Plus uses charitable funds to purchase vehicles, this would put them in an unfair advantage so a grant is given for a specific community transport service. CT Plus cannot and would not use these funds to subsidise a contract. There is no relevance to Jersey. HCT has undertaken finance in all vehicles they will be using in Jersey through a commercial finance house based in St. Helier.

2.13.2 Deputy G.P. Southern:

The website of HCT Group points to the fact that in 2011, it reinvested 37 per cent of its annual profits into local community services, its best performance to date. Can the Minister state what is going to happen to the other 63 per cent of profits?

Deputy K.C. Lewis:

With the exception of the administration fees, everything will come back to the Island.

2.14 Deputy T.M. Pitman of the Minister for Home Affairs regarding the reopening of Operation Rectangle in light of allegations made in respect of Jimmy Savile at Haut de la Garenne:

Following recent allegations regarding Jimmy Savile at Haute de la Garenne and further to his statement on 10th July 2012 that the door was not closed if new evidence came to light, will the Minister be requesting that Operation Rectangle be reopened?

Senator B.I. Le Marquand (The Minister for Home Affairs):

It was recognised earlier this year by the States of Jersey Police that the Historical Abuse Compensation Scheme was likely to lead to new victims coming forward. Although any new historical allegations would not be investigated under the auspices of Operation Rectangle, any new

complaints and complainants will be treated in exactly the same way as any other victim and their allegations recorded and investigated, and this of course equally applies to additional allegations in relation to Jimmy Savile.

2.14.1 Deputy T.M. Pitman:

I hope this is not too wide of the mark. Given that in the past the Minister confirmed that one of the officers who took over the investigation at Haute de la Garenne, and I am going to have to use the name because I do not know what his title was, Mr. Gradwell.

The Bailiff:

You do not need to use his name. You can just refer to him as an officer. You can describe his positions.

Deputy T.M. Pitman:

There are so many people who have come and gone that I might infer the wrong person, Sir. It is common knowledge. The Minister had used the name. I do not think it is a problem.

The Bailiff:

This is the officer who was in charge previously?

Deputy T.M. Pitman:

This is the officer who took over and went public on matters after Mr. Power and Mr. Harper.

The Bailiff:

Yes, you can use that name.

Deputy T.M. Pitman:

Thank you. Given that one of those officers, Mr. Gradwell, was confirmed by the Minister to have been leaking information during a live child abuse investigation to a U.K. journalist, Mr. Rose, is it not a concern to the Minister what is now coming to light that that journalist was one of the lead detractors - protagonist if you like - in dismissing all the abuse that went on in Wales that has now of course been proved to be true? Does that not concern the Minister in the way that our investigation was closed down and most people would say rubbish?

Senator B.I. Le Marquand:

From the time when I became aware of information which had been provided to the press by a Mr. Gradwell, I made my position quite clear that what he has done was utterly wrong and unprofessional. I am afraid I have no knowledge of the details of the remainder of the question.

2.14.2 Deputy M.R. Higgins:

I just want to follow up on what the Minister has said. He mentioned obviously that any abuse by Savile would not be covered by Operation Rectangle but obviously with the publicity associated with the Jimmy Savile case, have any further people come forward regarding other forms of abuse and, if so, will the Operation Rectangle investigation be carried on?

[11:15]

Senator B.I. Le Marquand:

It is only a technical point as to whether it is done under the auspices of Rectangle or a separate investigation. It would be done under a separate investigation. If there were allegations which are solely related to the late Mr. Savile, then clearly it would be very difficult to go ahead with a detailed criminal investigation because he cannot be prosecuted. If there were other parties named

who were living, then clearly you would have a different situation. But on top of that, of course, we have a situation in which the Metropolitan Police Force is in the process of investigating all matters including those which might only relate to Mr. Savile and the States of Jersey Police are clearly co-operating with that.

2.14.3 Deputy M.R. Higgins:

Can I just seek clarification on that, Sir? Does that mean, for example, anyone who facilitated Jimmy Savile's visits to Haute de la Garenne and other children's institutions would also be investigated on the access that they had to them?

Senator B.I. Le Marquand:

I think that is too broad. We are getting into operational decisions to be made by the police as to whether there are effectively special grounds to warrant a detailed investigation. Those are clearly operational matters for the police to determine based upon the information which they have. I can confirm that there have been additional allegations made concerning Mr. Savile.

2.14.4 Deputy M. Tadier:

Can the Minister confirm that in the past complaints were made to the police either under Operation Rectangle or previously about alleged abuse by Mr. Savile - or Sir Jimmy Savile, I guess we should call him - and will these cases be able to be reopened because they were not necessarily investigated for whatever reason? Will they be able to be reopened now that there is fresh evidence coming forward from a variety of sources?

Senator B.I. Le Marquand:

It is my understanding that there was one such allegation made previously and that was made during the ambit of Operation Rectangle. Obviously, if there is additional evidence or there are matters which might involve additional parties, then that is a different situation but, as I say, it is a difficult position for the police to be asked to investigate matters if there is no basis for allegation against a party other than the person who has died. Although as I have said already, that is what the Metropolitan Police are doing and the States of Jersey Police are co-operating with that.

2.14.5 Deputy T.M. Pitman:

I know I am not being deliberately stupid in not understanding what the Minister has said but if he is saying Operation Rectangle itself could not be reopened because Mr. Savile, *et cetera*, is dead, I am aware that there are 2 other names that are going to come out soon who are also dead - I believe - celebrities; is the Minister saying, just so I get this quite clear, that if it is living people who allegations are made against, the investigation can be reopened but if they are dead, then there is very little that the police can do? Could he just clarify that? I am not clear on it.

Senator B.I. Le Marquand:

Yes, that is correct. That would be the normal process because the whole purpose of a criminal investigation is with a view to a possible criminal prosecution. You cannot prosecute a person who has died and therefore it is difficult to see the purpose of a criminal investigation in relation to a person who has died. That you might investigate for some other reason possibly but that would not be a useful use of police time in my view.

3. Questions to Ministers without notice - The Minister for Treasury and Resources

3.1 Deputy J. Maçon:

With regards to the J.E.C. (Jersey Electricity Company) and the almost 10 per cent increase in the electricity price, as a shareholder representative, given the current economic circumstances and that many Islanders cannot afford to meet their bills, will the Minister reconsider his position and help his own people in reducing the rise as this increase is totally unacceptable?

Senator P.F.C. Ozouf (The Minister for Treasury and Resources):

This issue is obviously extremely difficult and outside of the J.E.C.'s control because of the failure of the power link. Shareholders do get updates from the company and I have had an update from the company since the publication of the price rise. I think frankly we will have to be realistic and responsible as States Members and accept that there is nothing we can do and should do to intervene in the company's tariff settings. Having said that, there is a great deal we can do to help our community in terms of reducing energy costs and particularly with the good work that is done by the Department of the Environment in putting home insulation to pensioner households and now - what the Minister announced yesterday - the further rolling out of further energy improvement facilities to Islanders. It is reducing energy that will reduce people's costs and we have seen electricity price rises across the United Kingdom and elsewhere, and I am afraid that we must be realistic about the realistic return on capital and needing to fund ongoing capital within the J.E.C.

3.2 The Connétable of St. John:

At the last sitting, the Minister for Treasury and Resources revealed that he was employing outside communicators. Please give the cost and also explain why. Has the Minister been permitted to use this unit when the States have a highly skilled unit and please also give the cost of this unit year on year since the establishment of it in 2006?

Senator P.F.C. Ozouf:

Those are detailed questions which I am happy to circulate the detail of the numbers later in the morning. The Communications Unit does an excellent job in terms of communicating information but Ministers' Scrutiny Panels need advice on how to handle and explain communications. If the Connétable thinks that all of this documentation with the M.T.F.P. (Medium-Term Financial Plan) has happened by accident in terms of explaining it in plain English, then I am afraid that that expertise... we work very hard in the Treasury and Resources Department but we need to have external help in terms of the communication events that we have held with Islanders, in terms of the drafting of documents, *et cetera*. What I have said to the Chief Minister and the Minister for Economic Development is I think that it is time that we build a corporate expertise not only for the Treasury and Resources Department but for all departments that need proper communication advice. That is not spin, that is communicating accurately directly with Islanders to inform them about our decisions and the consequence of our decisions.

3.2.1 The Connétable of St. John:

Supplementary on that: given that States Members have expenses, does the Minister use his expenses in relation to communications?

Senator P.F.C. Ozouf:

I have done that at the point of an election but effectively I am discharging the functions of Minister for Treasury and Resources. I do run my own communications, which I run myself and I do not have any outside help. I think that I have more Twitter followers and more LinkedIn followers than anybody else in this Assembly and I think it is important to communicate. It is important to communicate without the filter of the media directly to the people that we represent and we serve. If the Connétable wants to criticise me for that, so be it but that is what I do and I attempt to be open and transparent and to communicate.

3.3 Deputy G.P. Southern:

If I can control my laughter. Can the Minister explain to Members why he, after 2 years of research, has failed to produce a solution to the problem of getting revenue out of zero-rated companies, and will he admit now that whatever solutions he comes up with are likely to fail the E.U. code on business tax again like his previous solution did?

Senator P.F.C. Ozouf:

No, no and no again. I think the reports that I published 2 weeks ago have been well-received to the extent that it is a difficult issue with respondents across the Island. The Deputy has used his position, and I understand this, he uses his position almost to say that there is some free money out there that was not collected. I am afraid we cannot do that. This is not only an issue for me. It is an issue for my Treasury team. It is an issue for the Council of Ministers and it is an issue of this Assembly. He has not previously agreed the Fiscal Strategy of the States, that is his entitlement. I would also point out respectfully that neither the Isle of Man nor Guernsey has found a problem to the issue that he personalises as my problem. It is not my problem and there are no easy solutions as the detailed reports that I published 2 weeks ago indicate and which have been widely accepted in terms of their conclusions by the majority of people that I have spoken to.

3.3.1 Deputy G.P. Southern:

Can the Minister explain who owns Zero/Ten because it is obviously not him?

Senator P.F.C. Ozouf:

Zero/Ten is owned by this Assembly of which has been debated on many occasions over 7 years. The Deputy attempts to make this as a personal issue. I do discharge my issues personally and I work hard in relation to dealing with it. If I could find a way of raising more corporate tax from financial services and non-financial services companies, I would but I will not do so to the detriment of the economy of Jersey and to our overall situation in terms of jobs. Does the Deputy really think that now is the time to impose more costs on business when we have the highest level of unemployment and in the economic turmoil that we have seen? It is easy to make political points but we have to be making responsible decisions.

3.4 Deputy J.H. Young:

In a few weeks' time, the Assembly will be debating the Council of Ministers' proposition to acquire Plémont using compulsory purchase powers. Can the Minister advise the Assembly whether he has arranged for expert chartered surveyors' assessments of value and will he be making sure that the Assembly receives before the debate his assessment or their advice on the range of values and the basis for those valuations, and finally will he also publish his suggestions for land swap as alternatives to the cash settlement?

Senator P.F.C. Ozouf:

I think I can answer the first part of those questions by saying yes, I think there is already work being done and my Assistant Minister, working with the Chief Minister and the Assistant Chief Minister, has done a lot in terms of valuation. Of course, we will be further instructed about that when the Minister for Planning and Environment announces his own conclusion in relation to the application when clearly, as the Deputy will know - I almost called him the Chief Officer there because he and I of course worked with this at that stage a number of years ago - of course he will know what the value is at the crystallisation of the planning application. In terms of the land swap, this of course is a difficult issue. My own view is that we should purchase Plémont but I have made my position perfectly clear, subject to an appropriate valuation, that we should effectively be earmarking a sale of other States property but potentially a sale by S.o.J.D.C. (States of Jersey

Development Company) or dividend receivable in order to fund it. It should be paid for and then repaid.

3.4.1 Deputy J.H. Young:

Sometimes it feels as if the clocks have gone back 10 years and obviously the Minister remembers those days very fondly. **[Laughter]** The comments from the Council of Ministers thus far have put the figure of £8 million into the arena, which has been taken to be the price we have to pay. Is the Minister for Treasury and Resources able to give us any guidance? Is this the upper range of value that he currently puts on that or what is it?

Senator P.F.C. Ozouf:

I am pleased the Deputy enjoyed our time working together. I did too but in relation to the value, I have to say that there is nothing further that I think I can add at this stage. When we know what effectively the Minister for Planning and Environment's conclusion is, we will be able to confirm on that value, and I share the Deputy's view that we do not want to effectively write an open-ended cheque, we want to know what that value is. But my position is I think that there is now a strongly publicly supported case for purchasing Plémont, and that we should pay for it by effectively a de facto land swap and pay off it by selling off other States land.

3.5 Deputy M. Tadier:

Will the Minister give his views on whether he thinks £25,000 of Treasury money or States money will be an effectively use and well spent on reintroducing French language assistance to primary schools?

Senator P.F.C. Ozouf:

Monsieur le Président, je suis désolé, mais je dois indiquer que je suis le Vice-Président de l'Alliance Française. Je pense que le Député est très au courant de mes avis sur le sujet de l'importance de la langue française, et je pense que l'enseignement de la langue française est très important pour notre génération passée, aujourd'hui et pour le futur. **[Approbation]**

3.5.1 Deputy M. Tadier:

Je veux remercier le Ministre pour ses sages mots, et je veux poser la question dans le façon de Jerry Maguire, s'il veut, "montrez-moi la monnaie", s'il vous plaît monsieur, "montrez-moi la monnaie".

Senator P.F.C. Ozouf:

Je dois dire, Monsieur le Président, que je suis très content avec la conclusion du Conseil des Ministres.

3.6 Deputy R.G. Bryans of St. Helier:

Mon dieu! **[Laughter]** I am afraid that is me done Can the Minister, with reference to his earlier statement regarding iPads being used in every school, confirm where the funding is coming from and would he also confirm that apples are not the only fruit in the issues about tablets not iPads?

[11:30]

Senator P.F.C. Ozouf:

I agree and in the Medium-Term Financial Plan, we will be allocating money for education's future capital I.C.T. (Information and Communications Technology) requirements and of course it is not only apples, it is tablets and I think there is a whole world of opportunity for education to be

leading on the back of what we are doing with Digital Jersey: rolling out fast infrastructure, hopefully having 4G, and giving our young people every opportunity to use technology for the benefit of their futures. I look forward to working with the Assistant Minister for Education to ensure that the money we are going to apply is well spent, either on Apples or other devices.

3.7 Deputy S. Power:

Could the Minister give his own view on the proposed Plémont acquisition and perhaps whether he might be minded to support the proposition?

Senator P.F.C. Ozouf:

I have indicated that I am supportive but the condition of that (and of course it is not me that has put a condition but it is what I will represent to the Assembly) is the fact that we need to be long term. I think the public has made a very clear indication about protecting the important coastal areas of Jersey. My view is that development should happen in the brown and white field areas of Jersey where there is development potential and there is huge value in States-owned land that can be taken for that. Overall we are in a better position to protect Plémont but focus development in the areas of Jersey where it should happen: in St. Helier in our commercial land, and particularly if a dividend from S.o.J.D.C. could be made in order to repay that, then I think that is a win-win situation and better overall for the Island.

3.7.1 Deputy S. Power:

Would the Minister not also agree that there are other sites on the Island which also need clearing such as derelict glasshouse and greenhouse sites and that this has not been tackled properly?

Senator P.F.C. Ozouf:

I agree and the report from the F.P.P. (Fiscal Policy Panel) which I published this morning indicated the importance of planning in terms of economic growth. I live in an area of St. Saviour where I see derelict glasshouse sites; we have to find a solution to that. In these difficult economic times, while in no way compromising any of the planning controls of which the Deputy chairs the panel, I think that we should be finding solutions. If we can be targeting investment in order to clear up derelict glasshouse sites, and if we need to have a joined-up Council of Ministers' policy to do it, then we should do so and that is what my response to the F.P.P. says.

3.8 Deputy J.A. Martin of St. Helier:

In a written question today the Minister for Treasury and Resources says that the archives, the equipment storage, garage and command vehicles, will be located at La Collette. He then goes on to say that £30,000 has been identified to provide security arrangements for the facilities for the storage of the police archives. Can the Minister for Treasury and Resources please assure this House that the £30,000 is not a payment for a third-arm security firm to secure these very important documents down at La Collette because it seems to me that is all you will buy for £30,000?

Senator P.F.C. Ozouf:

There is an expert group chaired by my Assistant Minister in relation to the police H.Q. (Headquarters). I believe that the answer I can give to that question is yes, and if it is any different I cannot believe for one moment that our police chief and his staff would take any compromise in terms of security. But if the Deputy wants an additional answer, then I will liaise with my Assistant Minister and answer later on by email to that question.

Deputy J.A. Martin:

Yes, please.

3.9 Deputy T.A. Vallois:

Could the Minister confirm that a previous States decision with regards to the Jersey College for Girls' site was in fact moved to the Housing Committee and therefore should still sit under the Housing portfolio?

Senator P.F.C. Ozouf:

I do recall that originally there was a decision brought to move all surplus property to the Housing Department for housing and I think that decision was revisited. I certainly was a member of the Housing Committee, I think, when we evaluated J.C.G. (Jersey College for Girls) for social housing. The plan that is being worked on by S.o.J.D.C. - which I have to say I was briefed on at the Urban Taskforce a couple of weeks ago - is very good. I should declare that I am an "old girl" too because I learnt French A-level at Jersey College for Girls. But the actual fabric of the building was effectively for use for category (b) housing and the rest of the site could be used effectively for early starter homes and some social rented housing and I think that is the right balance.

3.10 Deputy T.M. Pitman:

My colleague Deputy Martin and I are still trying to decipher the last answer from the Minister for Treasury and Resources as to whether the £30,000 was for a third party, for a security firm, or was he confident that that £30,000 would buy adequate security within the States own angling, as it were?

Senator P.F.C. Ozouf:

To the best of my recollection I think it is effectively to rent outside archive storage. The police are trying to reduce its ability to hold documents. They are moving online and they are trying to reduce their arrangements in order to hold outside facilities. They hold documents at a number of places, obviously secure across the Island, and that budget is for that. If I am mis-stating that, I will certainly correct it in an email but that is what I understand. I do not believe there are any security issues that the police would take in relation to the security of their archive storage material.

3.10.1 Deputy T.M. Pitman:

But the important issue that I am trying to understand: will that still be monitored by the Jersey Police or would that be monitored by an outside agency? I think that is the key issue.

Senator P.F.C. Ozouf:

I do not know, it is outside of my remit, but I will get an answer to the question to the Deputy.

4. Questions to Ministers without notice - The Chief Minister

The Bailiff:

Very well, that brings questions to the Minister for Treasury and Resources to an end. We now move to questions to the Chief Minister. The Constable of St. John.

4.1 The Connétable of St. John:

Can I ask the Chief Minister whether the Island will be doing anything to commemorate the Great War of 1914-1918 given the U.K. Government have set aside £50 million to cover this historic period of their history and our history. Given many Islanders fought and died on the battlefields of the Somme and the Western Front, will we be doing anything to commemorate that? At the same time, if we do, will we be including our European friends who live on-Island, given that some 3,000 French people at the time were on-Island working within mainly agriculture and other areas and 3,000 of them were called up...

The Bailiff:

Connétable, I am going to have to cut you short; that is a very long question. Questions must be concise, please.

Senator I.J. Gorst (The Chief Minister):

I think the simple answer is yes. As the Minister for Education, Sport and Culture has indicated in a written answer this morning, they are already working on that and they are liaising with your own Chamber, Sir. I expect that in due course you will be setting up the usual type of committee to oversee and co-ordinate the events of celebration.

The Connétable of St. John:

I thank the Minister for his reply.

4.2 Deputy G.P. Southern:

Let us hope we get equally brief answers. Has the U.K. asked Jersey to move to full automatic exchange under the European Union Savings Directive: yes or no? What was the Minister's response: yes or no?

Senator I.J. Gorst:

Of course, the U.K. and the European Union have requested that members who are signed up to the E.U. Savings Tax Directive go to automatic exchange. The reason, while we agree in principle and are committed to that principle, we are still awaiting for a final date of conversion to come from the E.U. in that regard.

4.2.1 Deputy G.P. Southern:

Has the U.K. also asked Jersey for a F.A.T.C.A. (Foreign Account Tax Compliance Act) equivalent agreement like with the U.S.A. (United States of America) to provide the same information to the U.K.: yes or no? What was his answer: yes or no?

Senator I.J. Gorst:

I am not sure whether the Deputy would prefer to answer the questions he has put to me or he wants my answer. He seems to be indicating how I ought to be answering. As he knows, and as I answered in a written question to him at the last sitting, we are in negotiations with the U.S. Government around a F.A.T.C.A. agreement in co-ordination with the other 2 Crown Dependencies. Of course, the United Kingdom are themselves exploring whether a similar agreement could be entered into with the Crown Dependencies, as are O.E.C.D. (Organisation for Economic Co-operation and Development) and the E.U. Officers are in conversations to understand exactly what that might be. Thank you.

4.3 Deputy T.A. Vallois:

Could the Chief Minister confirm or otherwise that the current Council of Ministers are working to the social policy framework agreed by the first Council of Ministers in 2007? If so, will he be considering any change to it during his time?

Senator I.J. Gorst:

Yes and yes.

4.4 Connétable J. Gallichan of St. Mary:

Is the Chief Minister convinced that the Council of Ministers is effective in providing joined-up government responsive to the Island's needs? To illustrate my concerns, I would cite the current wrangle over the deployment of the Bouley Bay raft at a really almost insignificant cost when other

agencies are calling for increased facilities for tourists and locals alike. Are we still working *en solo*?

Senator I.J. Gorst:

I am proud of the way that we as a Council of Ministers and Assembly have worked together over the course of the last year and I hope that we will continue along that same road. We are working better and in a more joined-up approach than we ever, I believe, have done before. Is there room for improvement along the lines that the Connétable is suggesting? I have no doubt that there is and it is on my agenda just to ask the Minister for Economic Development, whose remit I believe this falls under, to perhaps review that particular decision as another Member has already approached me about that this morning.

The Connétable of Trinity:

The person who had asked the Chief Minister was myself so I will not ask my question. He knows what I wish.

4.5 Senator S.C. Ferguson:

The Department of the Environment yesterday proposed to enforce energy efficiency on the Island through fiscal policy. While it is hoped there will be encouragement rather than charges, governments being what they are, there will no doubt be increased charges. How will the Chief Minister curb the enthusiasm to create yet another cash cow?

Senator I.J. Gorst:

The question arose at the briefing yesterday when the energy policy was launched and I simply say that the Department of the Environment and the officers have done a lot of good work in finally bringing forward a document that can be consulted upon and I hope drive forward our energy policy for the next 20 to 50 years. So the question arose from the floor around fiscal incentives and it was not perhaps in the way that the Senator outlined; it was more whether people who had fuel and energy-efficient homes should receive a rebate or a reduced rate. There was no Connétable presence at that briefing. I am sure we would have had an interesting debate if they had been present. But as the Senator also knows the Treasury and Resources Department is looking at property taxes in the round and I think this is something that should be included in that because it is about delivering changed behaviour and providing a carrot rather than the stick that she indicated.

4.5.1 Senator S.C. Ferguson:

Does the Chief Minister consider that using fiscal means to force behavioural change to conform to his idea of the norm is the way to govern?

Senator I.J. Gorst:

First of all, I would say not “force” but “encourage” and I would say that it is not simply my idea and it is rather disingenuous for the Senator to suggest that. It was of course raised from the floor of that presentation yesterday. But it is, we must not forget, to a large extent an accepted way of government encouraging positive outcomes. Perhaps we could simply look at the way that we deal with cigarette sales and the duty there.

4.6 Deputy T.M. Pitman:

Could the Chief Minister clarify why the Plémont proposal is now in his name as Chief Minister and not his Assistant Minister’s, which I think was very much his personal - I will not say “hobby-horse” - but I think you know the gist. If the Minister has changed his mind since the vote last time, what changed his mind as to now supporting this decision? Maybe he did not; I cannot remember, to be honest.

Senator I.J. Gorst:

May I be absolutely clear, on every single previous occasion while I have been sitting in this Assembly that the issue of Plémont has come to this Assembly for a decision, I have voted - and I am proud of my voting record - to return it to public ownership and to remove the eyesore that is there now at the headland. I know that the Deputy does not like my consensual form of government. I believe that I am supported and I work with 2 very effective Assistant Ministers. When I was newly-elected to this office and they were newly-appointed as Assistant Ministers just under a year ago, we had a conversation in one of our normal meetings.

[11:45]

I asked, and we agreed, that my Assistant Minister would go away and try and give effect to what it was that this Assembly had asked the previous Chief Minister to achieve. Therefore, we are absolutely united; there is no surprise that this proposition should be in my name. In the proposition I say that I am grateful to my Assistant Minister who, I fully admit, has done a lot of the work and a lot of the negotiation, but it has always been undertaken with my blessing, with my approval. I hope that this Assembly will decide to vote to return that headland to nature once and for all for the benefit of future generations. **[Approbation]**

4.6.1 Deputy T.M. Pitman:

The Chief Minister says he has always supported the move for Plémont and I respect that. However, does he not think anything has changed given that we cannot even give public sector workers adequate pay, *et cetera*; things show no sign of getting better? Is there not money that needs to be spent on other things, as much as I supported Plémont last time myself?

Senator I.J. Gorst:

I have stood in and sat in this Assembly and heard Members of this Assembly say that we could not possibly purchase the headland via a compulsory mechanism because market values were so high. It would cost us so much we could not possibly warrant the expenditure and that was in good times when we were not facing the difficulties that we do today. Now when I believe that that piece of land can be purchased for a smaller cost, and no doubt we are going to debate that in due course, I am being told that now is not the right time because we cannot even afford that reduced amount. There will always be, as we know, some pressing opportunity today, some issue that we feel we should spend the money on today which might give short-term benefit. This is a decision that we can make later this year that I believe when look at in 5 or 10 years' time we will not even be asking ourselves was it worthwhile. It will be absolutely accepted that it was the right thing to do because we will have safeguarded part of our heritage, part of our nature and part of our culture. It is absolutely the right thing to do, to be making decisions in the long-term best interests, not only of this generation, but future generations.

4.7 Deputy M.R. Higgins:

Is the Chief Minister aware of the discussions in the United Kingdom for the adoption of a living wage as opposed to a minimum wage, for example, Boris Johnson seeking £8.20 per hour in London? Does he not think, as Jersey's cost of living is equivalent to London, that we should adopt the equivalent living wage and thus help those on lower incomes and stimulate the economy?

Senator I.J. Gorst:

The Deputy raises a very good point and he is right that there is a living wage calculation done in the United Kingdom which is followed by some businesses in the capital. I heard a number of weeks ago a most interesting interview with a business owner in the capital and how he felt that that benefited his business. It is a very difficult area. We have the employment forum who are

independent of the States, who come forward and consider what the appropriate minimum wage should be. If we did wish to consider a living wage - and I know that it was partially considered while I was Minister for Social Security - then the appropriate body, I believe, to undertake that consideration would be the employment forum. But of course what we have to also bear in mind is that if we raise salaries too much, then we create even more unemployment and we reduce economic growth. What that means is that the economy continues to struggle and will not grow and that is something which we must be mindful of in all these deliberations.

4.8 Deputy M.R. Higgins:

Could I ask the Chief Minister because of his comments, will he ask the States Statistics Office to calculate what a living wage would be in Jersey and inform Members?

Senator I.J. Gorst:

As I have indicated, I think the appropriate body to consider it would be the employment forum, rather than doing a theoretical calculation which would not take into account the economic circumstances of our community.

4.9 Connétable D.J. Murphy of Grouville:

At a recent meeting of the British-Irish Parliamentary Association in Glasgow, I found that I again had to refute suggestions that Jersey is in fact a tax haven. When I pointed out to the members that in fact we had received a cheque for \$2 million from the New York Attorney General, together with a letter of commendation for our help in winding up a money-laundering ring, I was then told: "Why are you not plastering that on the walls?" Can I ask the Chief Minister if he could ask the Communications Unit to perhaps communicate more and to communicate more with people in power in the U.K. and the Islands?

Senator I.J. Gorst:

It sounds to me as though the Connétable is wholly in favour and I look forward to him speaking later with regard to the establishment of a London office which is part of the Medium-Term Financial Plan, the aim of which is to do exactly that which he has outlined we should be doing. Let us not forget we are liaising more and more, undertaking more and more visits to the United Kingdom, to various ambassadors to the Court of St. James and having visits also in Jersey. We are doing more than we ever did but we recognise that more must be done because we must ensure that people understand what Jersey does, the benefits that it provides to the United Kingdom economy and to the city. We have more work to do and we believe that that is a strong reason why Members should be supporting over the next few days the creation and the funding of a London office.

The Bailiff:

Very well, I am afraid that brings questions to the Chief Minister to an end. Before we move on, can I just inform Members that 2 matters have been presented to them. R.136: Land Transactions under Standing Order 168(3) Chez Marguerite Day Care Centre, 3 Elizabeth Place, St. Helier disposal and Medium-Term Financial Plan - third amendment comments by the Council of Ministers.

STATEMENT ON A MATTER OF OFFICIAL RESPONSIBILITY

The Bailiff:

We come next then to Statements on Matters of Official Responsibility and the Minister for Education, Sport and Culture will make a statement regarding changes to the way in which student grants are assessed.

5. Statement by the Minister for Education, Sport and Culture regarding changes to the way in which student grants are assessed

5.1 Deputy P.J.D. Ryan of St. John (The Minister for Education, Sport and Culture):

I would like to advise Members that I have decided to change the basis for the assessment of income when calculating means-tested grants for university students. As Members will be aware, the Education (Jersey) Law authorises me as Minister for Education, Sport and Culture to provide financial assistance towards the cost of tuition fees and maintenance for university students. For dependent students, young people under the age of 25, that is, the level of grant is determined by an assessment of parental income in the calendar year preceding the year in which the course commences. If a couple divorce it is often the case that only one partner's income is taken into account: the partner with care and control of the student. This is a source of significant concern in Jersey where 38 per cent of parents sending their children to university notified the department that they are single parents for the purposes of student finance. As a result, they tend to obtain higher levels of State support than married couples who have 2 incomes. Many people who responded to the 2006 review of student financial support, a Green Paper consultation in 2008, and also the recent consultation on education, expressed the view that the current arrangements were not equitable and worked against families who stayed together. Other jurisdictions, such as Guernsey and the Isle of Man, use a system based on household income to calculate the amount of student grant. Having considered the issues and the outcomes of the consultations, I have decided to introduce fairer arrangements similar to those now in place in Guernsey and the Isle of Man. For the purposes of determining the level of grant award in future, the following will be the case. Where the student principally resides with his or her parent or parents, the assessment will be based on the gross income of the parents. Where the student's parents have separated or divorced and the parent whose income will be assessed now lives with a new partner, the assessment will be based on the gross household income of both partners. In making this assessment, account will be taken of any maintenance received or paid out. In certain circumstances, and at the discretion of the Department for Education, Sport and Culture, the assessment may be based on the income of an absent parent's household. As a result of this decision I will be asking the law draftsman to amend the Education Discretionary Grants Order to permit this change to come into effect in September 2013, i.e. for the academic year beginning in September 2013. These new arrangements will only apply to students making a first application for a grant in September 2013 and the years thereafter. Those students who have already commenced their courses prior to September 2013 will continue to have their grants assessed under the current arrangements until the conclusion of their courses. It is anticipated that this change will lead to savings of approximately £60,000 in 2013 and that will increase to an annual saving of approximately £500,000 after 3 years. There will be additional costs for some households that would come within the scope of the order, as the income of both the parent and his or her new partner will be taken into account in the assessment of the award.

The Bailiff:

Does any Member wish to ask a question? Yes, Deputy Vallois.

5.1.1 Deputy T.A. Vallois:

I was wondering if the Minister could explain why it will be based on gross income and not net income.

The Deputy of St. John:

I think all such grants are generally based on gross income as I am aware of it; I would need to carry out research. I do not have the specific answer but I am led to believe that this is the normal way to assess: is on gross income.

5.1.2 Deputy T.A. Vallois:

Could the Minister confirm whether he will set up an “unnormal” way and look at possibly doing it based on a net income rather than a gross income?

The Deputy of St. John:

I think if one is looking at net income, there may be a lot of things that are discretionary for parents in terms of what ends up being their net income rather than their gross income. I do not believe that it would be a normal or wise thing to do to look at net incomes.

5.1.3 Deputy M.R. Higgins:

Can the Minister explain the last paragraph on the first page: “In certain circumstances, at the discretion of the Department for Education, Sport and Culture, the assessment may be based on the income of an absent parent’s household”? Can he explain further, how do you enforce these payments when separated couples may have difficulty in getting maintenance payments from an absent spouse?

The Deputy of St. John:

My understanding that that would be at the request of the parents in all parents concerned, that an alternative would be to base an assessment on the income of an absent parent’s household. Obviously this would need to be at the discretion of the department because the department would not want to be out of pocket as a result of assessing that way.

5.1.4 Deputy M.R. Higgins:

I believe this system is used in the Isle of Man but it is not working there. Can you explain how it would work here?

The Deputy of St. John:

I do not have the information specifically about the Isle of Man that the Deputy is asking. However, my information is that it is working in both the Isle of Man and Guernsey in a reasonably successful manner.

5.1.5 Deputy T.M. Pitman:

It follows on about absent parents. I will give an example: suppose I want to make my close relationship with Deputy Martin even closer and I move in with her. **[Laughter]** I may want to enjoy Deputy Martin but I might not want to support her children. How can that be fair making me pay for that when perhaps there is an absent partner? It makes no sense.

The Deputy of St. John:

I have made the decision that one needs to have fairness with regard to those parents that do stay together over those that do not and it is on that basis that the decision was made.

[12:00]

5.1.6 Deputy J.A. Martin:

Sorry, I have just had terrible visions **[Laughter]** but I will try and compose myself. I get the sentiment of the Deputy and I certainly would not want him putting my children through any university course. It comes back to this: we are following Guernsey and the Isle of Man. Are we not always so proud of how much better we do than Guernsey and the Isle of Man? The Minister would agree, would he not, that he is taking the very easy option? He has given them a year to start heading for the hills, because I am not going to be supporting anyone’s kids who are not mine to go to university when their father or their mother is sitting up the road earning a very nice living, thank

you. We have gone for the easy option because in law we cannot touch them. We need to change the law and we should make the parents pay, the parents of the children, not the co-habitee. This will not work. You will not make savings; these people will disappear.

The Deputy of St. John:

I believe it is true to say that - I am not sure whether it was Guernsey or the Isle of Man, I stand to be corrected - one of our sister Crown Dependencies attempted to do what the Deputy is suggesting and try to enforce absent parents. What they found was that it was so difficult in law to achieve that after 6 months they dropped it and went to household income in exactly the same way as we are proposing. There are a great number of practical difficulties in enforcing absent parents to make contributions to their child's further education. One of the most difficult areas is the question that there are often divorce settlements that specifically exclude that.

5.1.7 Deputy J.A. Martin:

If the Minister is going to go down this route, what enforcement agency will he be using to sit outside these people's houses? Is he going to tap into the Minister for Social Security's... because this is their problem. The biggest problem they have is co-habitation and not declaring that but this Minister thinks the people are going to say: "Oh, I earn X amount and you can take some of that because my partner wants to put their child through university." Will the Minister not agree that he really needs to look at this in the practical light of day? People will not do it.

The Deputy of St. John:

I have looked long and hard in the very glaring light of day and I can assure the Deputy that I have not taken this decision lightly without looking at all of the different angles and aspects to it. In the end I have made the decision that we need to address a basic inequity between married couples and not married couples. That is the decision I have made.

5.1.8 Senator A. Breckon:

The Minister said in the first sentence of his statement that he is talking about changing the basis for the assessment of income when calculating means-tested grants for university students. Could he say whether he has taken into consideration increasing the threshold levels by either the earnings index or the retail price index? Some correspondence I had the other day said this has not been done since the year 2000.

The Deputy of St. John:

I thank the Senator for that question and that is an extremely interesting point. What came out in the media by my colleague sitting over the other side of the Assembly, Deputy Maçon, was that in fact it was confirmed that the department had made growth bids into the current Medium-Term Financial Plan for increasing the thresholds for means testing and to revert them back to their true value from 2001. Unfortunately, it was not felt to be a top priority at this point in time for the Council of Ministers but that may change in the future, I hope.

5.1.9 Deputy M. Tadier:

Given that household gross income is not the same as disposable income, and given that even parents who can afford to send their children to university may not wish to, and also given the fact that with a wealthy separated parent, there is nothing to stop that parent giving money directly to the student and thereby getting round these provisions which is causing a lot, I think, of outcry from the public; does the Minister not agree that the only fair system of funding is one which is completely independent of parents' income and that arrangements should be made directly with students either for loans or for grants to take the unfairness out of the system?

The Deputy of St. John:

No, I do not. I think that will result in lots of students having a very, very high level of debt when they eventually leave university. So, no, I do not agree with the Deputy but what I do think is that we live in an imperfect world. Any system of means testing is, by nature, not perfect and, I am afraid, that is the world we live in. We try to do our best to be as equitable as we can but no system is perfect.

5.1.10 Deputy M. Tadier:

I think the guidelines for the department are that no student who is apt for going to university should be denied going to university for whatever reason. If parents do not wish to give money to their children, or they are unable even though they may be high earners but do not have the disposable income, is that not an absolute shocking state of affairs which the department should be looking to? Should they be considering a loan system which is available to everybody at a base rate which can be paid back over time linked to earnings so that nobody is left behind?

The Deputy of St. John:

No, I am afraid I do not agree with that.

5.1.11 The Deputy of St. Martin:

The statement reads: "... 38 per cent of parents sending their children to university notify the department that they are 'single parents' for the purposes of student finance." I am sure that does not mean they are single parents only for the purposes of student finance. Could the Minister confirm that all divorces are legally approved; they are all legal divorces where we have single parents applying for this?

The Deputy of St. John:

Not necessarily. You may find that a couple cease to co-habit and one partner might have absconded even from Jersey in certain circumstances.

PUBLIC BUSINESS

6. Medium-Term Financial Plan 2013 - 2015 (P.69/2012)

The Bailiff:

Very well, that brings questions to the Minister to an end. We then come on to Public Business and the first matter is the Medium-Term Financial Plan 2013 - 2015 Projet 69 lodged by the Council of Ministers. I will ask the Greffier to read the proposition.

The Deputy Greffier of the States:

The States are asked to decide whether they are of opinion to receive the draft Medium-Term Financial Plan 2013 - 2015 and, in accordance with the provisions of Article 8 of the Public Finances (Jersey) Law 2005 (a) to approve the intended total amount of States income for each of the financial years 2013 to 2015 as set out in Summary Table A; (b) to approve the total amount of States net expenditure for each of the financial years 2013 to 2015 as set out in Summary Table A; (c) to approve the following amounts (not exceeding in the aggregate the total amount set out in paragraph (b) above) (i) the appropriation of an amount to a revenue head of expenditure for each States-funded body (other than the States trading operations) being the body's total revenue expenditure less its estimated income for each of the financial years 2013 to 2015 as set out in Summary Table B with, in relation to the head of expenditure of the Health and Social Services Department, the approval of £2 million in 2013, £6 million in 2014 and £6 million in 2015, dependent, in accordance with the provisions of Article 16(4) of the Public Finances (Jersey) Law 2005, on the approval by the States of the transfer of these sums from the Health Insurance Fund to

the Health and Social Services Department; (ii) the amount to be allocated for contingency expenditure for each of the years 2013 to 2015 as set out in Summary Table C; (iii) the total amount, as set out in Summary Table D, that, in the budget for the financial years 2013 to 2015, may be appropriated to capital heads of expenditure, being an amount that is net of any proposed capital receipts and other funding to be used for capital projects to which the amount may be appropriated, with £8.5 million of the 2013 allocation, £4,743,000 of the 2014 allocation and £1,757,000 of the 2015 allocation, dependent upon the approval by the States of the redemption of the States 9 per cent preference shares in the JT Group Limited as set out in paragraph (f); (d) to approve the following, as set out in Summary Table F, in respect of each States trading operation, for the financial years 2013 to 2015 (i) its estimated income; (ii) its estimated expenditure; (iii) its estimated minimum contribution to be made to the Consolidated Fund; (e) to approve, in respect of each States trading operation, the total cost of the capital projects that each is scheduled to start during the financial years 2013 to 2015 as set out in Summary Table G; (f) to approve, in accordance with Article 32(5)(a) of the Telecommunications (Jersey) Law 2002, the disposal by way of redemption of the States 9 per cent preference shares in the JT Group Limited with the redemption value of £20 million being applied, £15 million to the capital programme for 2013 to 2015 and the balance of £5 million for the Economic Development Department to provide funding for the proposed Innovation Fund.

Senator I.J. Gorst (The Chief Minister):

It seems that these days when States are sitting, one momentous day follows into another and therefore it gives me great pleasure to ask the Minister for Treasury and Resources to act as rapporteur for the Medium-Term Financial Plan which I believe is going to set the foundation for our future stability and prosperity.

6.1 Senator P.F.C. Ozouf (The Minister for Treasury and Resources - rapporteur):

This debate represents a historic day for Jersey and I believe for this Assembly. As we start this debate on this 3-year Medium-Term Financial Plan and all its proposed amendments, we are not simply making an administrative change to how we plan our finances, we are, I believe, taking an important further vital step towards securing, as the Chief Minister says, our Island's future. This debate is about doing things differently and doing things better. Without question it is probably the most important financial decision that this 3-year Assembly will take. The proposition, as ably read by the Assistant Greffier, deals with a number of important issues: income, net revenue, capital expenditure for both trading organisations and all States departments. The decisions that we will take in the next couple of days will fix the expenditure for all States departments for the next 3 years. This will allow departments across the States more flexibility, it will allow them to deliver efficiencies and it also engenders a long-term thinking in a way that has never been possible in decision-making that this Assembly has made in the past. As Members will recall, earlier this year we debated and agreed a strategic plan. This plan builds on that. This decision puts the resources in place to deliver those ambitious plans that we agreed. This proposal matters for every Islander whether a young person at school, a working family, a single parent, a senior citizen, this plan affects every Islander in our community. We have a heavy burden of responsibility to deliver good decisions. We believe that this plan invests in the services that are fundamental to Islanders' lives, especially in terms of health, jobs, housing and education. It is a plan that also sets out probably the most ambitious capital investment programme that this Assembly has ever taken. It is a plan designed to provide stability, certainty, create jobs and stimulate growth. The Council of Ministers, in whose name this proposition is, is confident that this plan will establish a solid foundation that is capable of steering the Island through the continued global economic uncertainty and ensure we position Jersey to take advantage of the international growth which will, of course, eventually return. The move to the 3-year planning process was overwhelmingly supported by this Assembly

with 45 Members voting in favour of the change in July 2011. Over 80 per cent of Members supported it and that decision resulted in the decision and debate that we have before us today. By voting for that move to 3-year budgeting Members enabled us to plan better for Jersey's long-term future, one of the essential aims that we signed up to in the Strategic Plan. But we believe the benefit was wider than that. The States works with many external suppliers and funds numerous organisations, many of which are in what is now more accurately described as the voluntary and community sector. Together with Ministerial colleagues I have been meeting regularly with many of these organisations over the last year, and particularly in recent weeks. We have been struck by just how much they welcome the approach that the certainty of a 3-year budget gives them too.

[12:15]

Both inside the organisation and outside, time that was previously spent on the onerous task of annual business plans and annual budget can now rightly be better directed on managing, serving, caring while delivering also better value for money for taxpayers. It is both positive and significant that so many Members recognise the importance of the change in the Public Finances Law and I want to repeat my thanks to the Members who supported it which has made this debate possible today. Indeed, teamwork is something which I believe is something new that this Assembly differentiates itself from the Assembly previously. There has been a new spirit of teamwork that has become apparent in our working in delivering the plan over the last year. There has been vigorous, sometimes difficult, but always constructive debate between Ministers at the Council of Ministers, often joined in our deliberations on the M.T.F.P. by Assistant Ministers too. This plan is the culmination of a huge amount of work by particularly Finance staff across the States and the Treasury team. I owe a large personal debt of gratitude to both my Assistant Minister, Deputy Eddie Noel, and also to the Treasurer of the States who have spent many hours with me in the formulating of these plans. **[Approbation]** Many others have also played an essential part. There has been a vast amount of consultation, perhaps unprecedented, in terms of any proposal brought before this Assembly. The private sector has been involved, the not-for-profit sector has been involved, as has every single States department and many staff within those departments. I would also like to thank the Chief Executive of the States of Jersey, the Corporate Management Board and particularly the Chief Minister and the Council of Ministers for all their incredibly hard work, for their input, for their challenge and for their guidance. The Council of Ministers has been involved in every step of the process to ensure that the plan before Members clearly aligns with those agreed strategic priorities and resource principles that we signed up to earlier this year. I would also like to take this opportunity of recognising and giving special thanks to Scrutiny. A year ago, some people doubted that Scrutiny was going to survive but I think in the formulation of both the Health White Paper and this M.T.F.P. Scrutiny have shown themselves to be key independent partners, sometimes critical, but always constructive. Every panel has produced this Assembly with a report on their departments with recommendations that has added value, which has helped our decision-making. While this is the first plan, it sets a high benchmark and I think this all sets a new standard of how we should work in future, holding Ministers to account but also assisting in decision-making. So I say to Senator Ferguson and her colleagues on Corporate Services, to the Deputy of St. Martin and his colleagues on Economic Affairs, to Deputy Maçon and his Education and Home Affairs colleagues, Deputy Young and the Environment Panel and to the Deputy of St. Peter and her small team of people on the Health, Social Security and Housing Panel, I offer my thanks. **[Approbation]** I offer my thanks to the chairmen for their hard work. Corporate Services have also been very helpful and they produced 2 additional reports from C.I.P.F.A (Chartered Institute of Public Finance and Accountancy) and an outside adviser. I was very pleased, in fact I was really pleased, to read the positive endorsement of the plan by the independent adviser from the Chartered Institute of Public Finance and Accountancy, C.I.P.F.A., who said: "In terms of the primary objective, scope and detailed workings of the M.T.F.P, the States of Jersey would certainly be

regarded as a good example to follow.” I think that is a tremendous statement to show the quality of the decisions that we are making. Since the plan was first published there has been also a vigorous debate about the economic context which the plan is presented in and particularly the income projections which Members are asked to approve. In the last 2 weeks alone we have now seen that the U.K. appears to begin to emerge from recession. Even as late as Friday there has been some recent economic news from the U.S. in terms of jobs. I think every Member of this Assembly recognises how difficult it has been for all Islanders due to the economic downturn. Despite a number of serious challenges, however, Jersey is emerging from what will be known as the great recession in a much stronger position than other places. I believe that this is in no small measure because of this Assembly’s historic financial prudence and because of the adaptability of the people of Jersey. There has been a lot of concentration on those income protections and I am pleased to say to the Assembly today that our actual income tax receipts so far this year for 2012 are holding up and they are certainly in line with the forecasts for 2013 and beyond. I can also report at the end of the third quarter G.S.T. (Goods and Services Tax) receipts have also improved again. But I recognise we can take nothing for granted. There is potential for global events to continue to affect Jersey’s economy from the slowdown in China to the problems in the eurozone and particularly to the outcome of the U.S. elections and their fiscal cliff. However, it is because of our financial strength that we are able over the next couple of days to put in place a plan with the resources to create the right environment for our economy to grow. One of the most important developments in recent years has been the creation of the Fiscal Policy Panel whose independent reporting has further instilled discipline in our financial planning. Last night we published a detailed report to their F.P.P. and Annual Report and I hope Members have had a chance to at least look briefly at that report. I say the F.P.P. advice is important as they previously advised this Assembly on the fiscal stimulus measures which have worked. To reinforce the quality of the F.P.P. advice I was pleased to note a few days ago that the I.M.F. (International Monetary Fund) has recently revised their statistics on fiscal stimulus and now believe that fiscal stimulus has had an even greater beneficial effect on economic activity than was first anticipated. The multiplier effects are greater than first understood and I think this is significant as it means that our past fiscal stimulus, and the stimulus that is in this plan, will make an impact. It is also worth remembering that this M.T.F.P. builds on the original 3-part plan that we set out to deal with the £100 million deficit that we expected to happen if we did not take corrective action by 2013. Firstly, supporting economic growth through fiscal stimulus, secondly, diversifying our tax base and, thirdly, delivering savings. This plan of course includes the third year of that Comprehensive Spending Review. A huge amount of progress has been made on delivering savings across the States and I also want to give credit to the departments that have worked so hard to achieve the savings already made and now those that are planned within this plan. There have been very many - despite the cynics - successful C.S.R. (Comprehensive Spending Review) initiatives, too many that are appropriate to mention during this debate, but I do hope the addendum that has been published alongside the M.T.F.P. was helpful to ensure Members are making fully-informed decisions over the next few days. Reductions in overtime, increasing efficiency in tax administration, reorganising the States plant nurseries, reducing fraud in Social Security, improving the management of States housing, these are just a few examples of all of the good work that has been completed in the Comprehensive Spending Review. The approval of this M.T.F.P. will ensure that we will make those last and final third-year savings in the C.S.R. Through the reform and modernisation of government the Chief Minister will, I am sure later on in the debate, explain in more detail the next stages of the modernisation programme that he is now developing with the Corporate Management Board. Perhaps most importantly the Comprehensive Spending Review has shown how you can change the culture of an organisation and the approval of the M.T.F.P. will take, we have confidence, this cultural change even further forward. The Strategic Plan highlighted the need to make investment in our vital front-line services. The first draft plan that we did had provisionally allocated growth

in 2013, 2014 and 2015. However, against these allocations the Council of Ministers received so many justifiable requests from departments, it was decided that more investment was needed sooner, particularly because of the economic situation. Help was called for to deal with getting people back to work, stimulating an otherwise difficult economic situation and particularly the reform of Health and Social Services. As set out in the plan, the Council of Ministers and Corporate Management Board worked really hard through a number of growth and funding options to try and find a solution. The Treasury also worked hard to find ways in which those high-priority growth requests could be funded without further recourse to taxpayers. This work resulted in the identification of further budget reductions amounting to £35 million over the period of the plan so as to increase the amount of growth that could be allocated. These budget reductions included cutting expenditure in a number of areas, working more closely with Guernsey, increasing income and reallocating existing budgets. That is how we are now able to support the stimulus for employment, the economy and also fund the important reforms in Health and Social Services. The Treasury will continue to improve its financial monitoring processes so as to ensure that all of this additional growth is properly applied. The monitoring of growth will be carried out through consolidated reports presented now quarterly to the C.M.B. (Corporate Management Board) and to the Council of Ministers. This means that actual performance is now much more closely monitored in the past against expenditure and income projections. In addition we have gone a step further with now publishing a half 6-monthly full financial monitor. We spoke earlier about the need to communicate and we hope that this increased openness and transparency in the decision-making, those better controls and accountability, will mean better value and information to taxpayers. One message that we can make over the next few days is that also investment in terms of services can eventually reduce overall costs. Falling crime figures, the lowest level of youth offenders is testimony to the effective, efficient collaborative working between Home Affairs, Education, Health and Housing. This has not happened by accident and of course we look forward hopefully to the new police H.Q. which will ensure that that work continues even more successfully in the future. **[Approbation]** Health, growth, housing and jobs are all extremely important aspects of the debate that is before us. But perhaps the most important element of this plan is the increase in health spending. Two weeks ago the Assembly approved the Health policy set out in the White Paper. Our task in the next couple of days is to allocate the resources to deliver it. On top of the £14 million of growth already earmarked for Health and Social Services in last year's business plan, this plan proposes an additional £12 million, making a total increase for Health and Social Services budget of £26 million by 2015. That is bold investment. The reform of Health will of course take time. It is a 10-year plan in 3 phases. This M.T.F.P. provides all of the funding needed to deliver phase 1. There is clearly much work to be done and we do need to establish the best location for the new hospital. It is inevitable that further growth in phase 2 will be needed and this will have to come from a combination of efficiencies, economic growth, contributions to the long-term health and care costs and reviewing the Health Insurance Fund. We of course have committed to come forward with a report on all of these issues by September 2014. There is something in this plan for all Members of our community but it is the investment in health and social care which will benefit our senior citizens the most. The Council is delighted that there will be more and better care for older people; there will be more and better care for older people in their own homes, care that will not only be provided by the States, but provided by some exceptional organisations such as the Alzheimer's Association who are supplementing their own income with the employment by a voluntary charitable donation of the Island's first admiral nurse at the beginning of next year. This is an example of partnership between the States and the voluntary sector. **[Approbation]** There was also a pressing need to deal with the quality and availability of both social and affordable housing in Jersey. New proposals for housing will be set out in the White Paper which will be debated by the Minister for Housing next year. Until that debate takes place, budgeting for Housing remains the same. We have not pre-empted any of the States decisions in terms of the

Housing policy changes and I think it is important that I say that. Looking ahead optimistically, we are looking at the new creation of the Housing Minister's Department into an association, and while it is not an issue for the debate in the next couple of days, we believe that this is going to be important to leverage further new investment in maintenance and investment so that decent home standards can be met with all of the States-owned properties and, more importantly, perhaps equally importantly, also new homes can be built.

[12:30]

Another urgent priority was of course to reduce unemployment, keeping people in work and creating new job opportunities. The back-to-work initiative has been extremely successfully run by Social Security in developing the skills and this is already reducing unemployment. This plan provides the funding to continue that good work. We believe a strong economy provides jobs and generally it raises the standard of living of Islanders. The Minister for Economic Development's Economic Growth and Diversification Strategy was designed to do just that: to facilitate job creation and to better align inward migration to create high-value employment for local people. This plan funds all of the aims of the strategy, earmarking the first £5 million to the Innovation Fund in addition to the support for Jersey Finance and the exciting developments in Digital Jersey. This plan also contains the funding that will ensure our main source of income, the financial services industry, remains strong and resilient and is able to grow. We believe that Jersey punches above its weight and our aim is to remain nothing less than the best and most highly-regarded international financial centre of our size in the world. The opening of the office by the allocation of money to the Chief Minister's Department will ensure that that office represents all of Jersey's interests, not just financial services, and it is also designed to strengthen our relationship with the United Kingdom Government, but also the governments and organisations that are represented from countries around the world in London. All of these investments are designed to ensure that Islanders, whatever their circumstances, can enjoy a good quality of life, job opportunities and the choice for them to reach their full potential. Islanders are provided with an efficient, high-quality service but with our long-standing stable and low tax rates. The M.T.F.P. target increases in its spending towards those priority services but it does so without the need to increase taxes. As we indicated when we lodged the budget earlier this month, further tax-raising measures will not be necessary as a result of the approval of the plan; our focus will instead be on improving tax collection and implementing those tax avoidance measures. This plan allows our taxation rates to remain low, broad and simple. Even though we are setting out a 3-year plan, there is some scope to respond effectively to changing economic conditions, as Members would expect. One of the principal ways that that can be delivered is through the capital programme and the plan here amounts to £222 million with £56 million to be agreed in the 2013 budget, £89 million in 2014 and £77 million in 2015. By allocating these funds annually we are able to remain flexible and respond to changing circumstances, particularly those highlighted within the F.P.P. report. The Council of Ministers is also in this plan proposing contingencies of £90 million which will be available for drawdown with some significant strings attached over the next 3 years. Departments are encouraged to develop their own appropriate contingencies to manage their own pressures over this 3-year period. They will need to demonstrate very strongly that they have considered all measures before they approach the Council of Ministers and ultimately the Treasury for any drawdown from those contingencies. I should also say that the new process for carry forwards is also in place to ensure departments have greater certainty. It is crucial the departments are able to manage their own priorities over that longer period of 3 years as opposed to just year to year. The Council of Ministers will also consider opportunities for further budget reductions and efficiency savings that may result from the public sector reform and modernisation programme. These potential reductions will enable additional flexibility in line with the F.P.P. report, particularly to be available in 2014 and 2015. In summary, this is a plan that is flexible in annual decision-making in

terms of the annual capital programme and that there is flexibility in contingencies and flexibility in carry forwards. Business Plan debates of the past have been very much characterised about revenue expenditure. Perhaps less attention in the past was paid to the States balance sheet. While this debate is mainly about current expenditure, we believe that we must also send a very clear message that we are managing the States balance sheet perhaps in a different and more assertive way than in the past. We believe the States needs to make better use of the physical assets it owns, make better use of its investments and particularly look at the opportunities of disposing surplus property. In the period of this plan, steps will continue to be taken to make optimum use of buildings and to rationalise the unwieldy office accommodation that the States of Jersey uses, much of it which is frankly not fit for purpose in today's world. The plan identifies the income received from the controlling interests that this Assembly has in utilities: Jersey Water, Jersey Electricity, Jersey Telecom, Jersey Post and now also the States of Jersey Development Company. We are certainly now a more active shareholder. The States is working with all of these companies, developing their businesses, helping them serve Islanders; they are now joining in employment initiatives and where possible now also generating international opportunities for economic growth and diversification. So it is a result of these strong relationships that have enabled us to achieve an extra dividend, particularly in the area of Jersey Post, of £4.5 million. In terms of the J.T. (Jersey Telecom) repayment of the special dividend, there is £15 million that will go to the capital programme supporting the construction industry and that £5 million will go to seed the Innovation Fund which will help grow new businesses in Jersey. Active management of the balance sheet, as well as the overall budget, can result in an improvement to the financial position for Jersey, as well as safeguarding our assets for future generations. Our balance sheet is strong but we have recognised that it does have some liabilities in terms of 2 pension funds, in terms of P.E.C.R.S. (Public Employees Contributory Retirement Scheme) and Jersey Teachers, and this plan also provides the process for dealing with that. There is an additional £3 million a year by 2015 for the earlier repayment of the pre-1987 debt and we will come to Senator Farnham's helpful amendment. I can advise the Assembly in the general area of pensions that a technical working group is working within the Treasury to evaluate options that will make public sector pension arrangements sustainable, affordable and fair for the longer term and their initial findings will be reported to this Assembly later this year. I am confident that all of these elements in terms of the balance sheet and pension arrangements will deal with these historic liabilities which have been of concern to some Members, particularly the P.A.C. (Public Accounts Committee), and provide a strong foundation for the future. Our long-term planning that we agreed in the Strategic Plan does not stop there. We are also now looking at a long-term plan for capital and revenue. There is now a Council of Ministers' sub-group, focusing on long-term planning with a specific remit to deal with and deliver a 25-year capital programme and a 10-year revenue plan. This Medium-Term Financial Plan delivers growth in essential services, balanced revenue budgets in all 3 years and support for the economy while maintaining the current system of taxation. It does so by careful use of existing resourcing, by seeing through the final stages of the Comprehensive Spending Review and by setting out a flexible capital programme that can provide both improved services but also important ongoing physical stimulus. We are in a unique position to be able to achieve this level of fiscal stimulus without drawing a penny from our strategic reserve or incurring debt. This plan provides a way for us to support our vital industries and develop new ones. It helps those that are out of work and need support. It ensures that we will be able to continue to provide our health and social services and to improve upon them. It invests in our infrastructure that holds our Island in good stead for the future. It means we will be doing this by spending our time also in the future in the next 3 years by doing what really matters: serving our Island community efficiently and providing better value for money. I understand that Jersey perhaps has suffered a lack of confidence over the last few years because of the difficult changes that this Assembly has had to wrestle with in terms of securing our economic stability. Some Islanders, indeed some Members, doubted that Jersey

would ever return to prosperity and growth. Some people even believed the best was in the past. I do not. In proposing this plan I believe that the best can yet come in the future. **[Approbation]** What I mean by “best” is a return to economic growth, increasing job opportunities and well-funded public services that are well run with a happy, respected public sector workforce. It is on that basis, on that optimistic note, that I commend this plan to the Assembly. **[Approbation]**

The Bailiff:

Is the proposition seconded? **[Seconded]**

Deputy G.P. Southern:

I propose the adjournment.

LUNCHEON ADJOURNMENT PROPOSED

The Bailiff:

Yes, the adjournment is proposed.

Senator I.J. Gorst:

I just wish to make a comment on one of the amendments prior to rising for lunch, if it is appropriate to do it now. Members will be aware they received an email from Deputy Tadier in the early hours of this morning and I was slightly surprised by its contents. My reading of the comments which the Council of Ministers have produced - and I just wish to confirm it - is that the Council of Ministers have asked the Minister for Education, Sport and Culture to provide the service that he is requesting and that they will do that from within their current budget. They have confirmed that to me this morning and therefore there is no need for the extra budget; they will carry out and undertake the service that he is requesting in his amendment.

The Bailiff:

Very well. Well the Deputy could perhaps talk to the Minister for Education, Sport and Culture over lunch and see if that is satisfactory.

Deputy M. Tadier:

Just to say, I will obviously consider the position over lunch, whether I am happy with that. It certainly was not clear to me until just now when the Minister has confirmed it.

The Bailiff:

Very well. Can I just say this, Members hopefully have on their desks a running order and we will be following the amendments in that order. If Members agree, I do propose just before each amendment to ask the Chief Minister or Minister for Treasury and Resources whether the position remains as stated there as to the opposition or not to the amendment so that we cannot debate things that do not need to be debated and concentrate on those which do need to be debated. Very well, the Assembly is adjourned until 2.15 p.m.

[12:42]

LUNCHEON ADJOURNMENT

[14:16]

The Bailiff:

Before we begin, can I inform Members that Deputy Higgins has lodged P.119: Connétables and other Parish Officials: Explanatory Document and New Legislation.

6.2. Medium-Term Financial Plan 2013 - 2015 (P.69/2012): seventh amendment (P.69/2012 Amd.(7))

The Bailiff:

Very well, so the proposition has been proposed and seconded so we now move on to the various amendments. The first one is amendment 7 lodged by Deputy Le Fondré and I will ask the Greffier to read the amendment.

The Connétable of St. Peter:

If I may before we start, could I raise the défaut on the Deputy of St. Peter, please?

The Bailiff:

Does the Assembly agree to raise the défaut on the Deputy of St. Peter? Yes, the défaut is raised.

The Greffier of the States:

Amendment 7 (1) page 2, paragraph (a) after the words “as set out in Summary Table A” insert the words “except that the intended total amount of States income shall be increased by £2,250,000 in the year 2014 by the payment of an additional distribution from the States of Jersey Development Company Limited in these amounts which the Minister for Treasury and Resources would require from the company by 30th June 2014.” (2) page 2, paragraph (a) after the words “as set out in Summary Table A” insert the words “except that the intended total amount of States income shall be increased by £2,250,000 in the year 2015 by the payment of an additional distribution from the States of Jersey Development Company Limited in these amounts which the Minister for Treasury and Resources would require from the company by 30th June 2015.”

The Bailiff:

Senator Ozouf, the paper we all have says the Council of Ministers are opposing these amendments, is that still the position?

Senator P.F.C. Ozouf:

Yes, Sir.

The Bailiff:

Very well, Deputy Le Fondré.

6.2.1 Deputy J.A.N. Le Fondré of St. Lawrence:

I will start with 2 pieces of good news: firstly, I am losing my voice and, secondly, my speech is shorter than the comments that we all were circulated with on amendment 7. I am afraid that is it, though. I will start by summarising those comments on the proposed amendment, not something very simplistic, but essentially they say that: “We, S.o.J.D.C, need the money to fund some worthwhile projects and we promise to pay you, the States, something in about 4 years from now, assuming we have got our projections correct and of course assuming all the best laid plans go on schedule.” To put this all back into context, the W.E.B. (Waterfront Enterprise Board) or S.o.J.D.C., have basically been the same entity and have been in existence for over 15 years. In the last 5 years they have been profitable and have reported profits of just under £10 million and that is taking into account the figures for 2012 that they are projecting which we have just been recently appraised of in the comments from the Council of Ministers. There has never been any direct return to the States in that time. Yes, you can have all sorts of arguments about the benefits that have been accrued, about the wonderful buildings we have down there, but do not forget as well that we were also paying rent, for example, on the bus station and are subsidising the swimming pool. So that particular argument which is embodied in the comments is very much swings and

roundabouts. So we are trying to identify the benefits that we get out of S.o.J.D.C. Obviously the projects that have been built have an ongoing revenue impact on our own budgets and on the taxpayer. But really the key question I wanted to get Members to think about today is how long do we want to wait until we start getting a return? Bear in mind the ongoing revenue costs of this entity and that salaries, premises and estates managements (so it is real basics) are in the order of £1.2 million a year. In the last 5 years that is over £6 million. That is not total costs; that is just the basics. The reason I wanted to flag this up and, as I said - funnily enough, I was expecting the Council of Ministers' comments - was to really identify and to start drawing the line and put a marker down about performance. What mechanism do we have in place to ensure that we get some form of return for the taxpayer? What mechanism is there to ensure that the management of that entity sharpen their pencils and get on with the job i.e. implementation and delivery. I do not really want to go into that but you have to state it. Do not forget we have had 2 aborted schemes on the waterfront and that has obviously had quite a significant cost. Perhaps there is a somewhat more direct example, and I am sure I will be told: "Oh no, that is fine, it will be happening." But take the Zepherus site, I attended an awards presentation - I think it was last year, it might have been the year before - when this was awarded a prize for the best unbuilt scheme and that is the point: planning permission was obtained. Now, presumably quite a lot of cost was incurred and presumably the site would have been revalued as it now had a permission attached; I do not know. I am guessing that that may have formed part of the bonus calculations for staff because there are bonuses being paid out for performances in the company accounts. But even if that was not the case, to date, as far as I am aware, it has not been built. Take J.C.G., I can state that in 2010 after site assembly was completed, Property Holdings put this pack together, which is dated October 2010, and they would have taken about 6 or 7 months - but that included site appraisal and things like that, so I think the period would be shorter - to draw up a first set of plans and those were presented to the then Minister for Planning and Environment for initial discussion. That particular Minister for Planning and Environment, the former one, wanted a particular top-notch U.K. architect to do that scheme. That was fine; I did not have an issue with that, but I cannot see what happened after that. All I am saying is that 2 years down the line we are only now talking about putting an application in, so where is the driving force to move those matters on quickly? I am very glad that we are getting a planning application in; I am very glad to see that development is going to be happening and I am very happy for it to be an S.o.J.D.C., but it is about the time factors that these things are taking. Do not forget, the whole principle of this new structure is that this is a new Dandara, if you like, or a new AC Mauger, or a new Cameron; they are a developer. They are there for us to extract the developer's profit from the schemes. I have never had a problem with that as a principle but what I am trying to say is that we need to recognise in the wider world there are other ways of achieving those same aims but we have to recognise there are some permanent operating expenses in there that we do not necessarily see. The property world in itself has significantly changed. Again, one is reminded, for example, of the Edinburgh experience where the Waterfront Edinburgh Limited has been mothballed due to ongoing structural costs, unviable schemes and significant write-downs in shareholder funds, so the world has changed. I do not really want to debate about S.o.J.D.C. merits; what I am trying to say is the structure is there and the key thing is how do we ensure it performs given that it has reported approximately £10 million in profit since 2008? That is a period of 5 years to now. Is it acceptable to wait until 2016 or 2017, a total period of 9 or 10 years, before we get a return, that over and above the other 10 and 12 years the entity has been operating in one form or another. If the company has sufficient income to cover its basic operating costs, there is no hunger. There is no incentive to push the projects forward, that is what needs to be ensured; simply to enforce delivery against the objectives they have been set, and on our timetable, not necessarily there's, to enforce some discipline. Just bear in mind as well we are talking about the expenditure side. Since 2003 the position of managing director alone has received approximately £250,000 in performance-related bonuses. That figure excludes bonuses paid to any

other members of staff; it is not easy to identify from the accounts. The post of managing director alone in that period has cost us more than £2.2 million; that is my maths I hasten to add, but that is from the figures I have been able to extract from the accounts. If we do not have a performance mechanism in place then we are basically supporting an organisation that is there for its own ends and not ours and we own it. People may think that is wholly aggressive and unfair but the sole intention of what reason I wanted to bring this amendment to the proposition is to get Members to start thinking and perhaps lay down a marker about what do we do to force this organisation to make sure we get delivery. If it is meant to be a commercial organisation with commercial knowledge and drive, let us see it. I am going to wind up imminently. The actual proposition is split into 2 parts, so it is 2 separate votes. I will be seeking separate votes in each part, so Members have a choice, and I shall be listening to the comments with interest and anticipation. Thank you.

The Bailiff:

Is the amendment seconded? **[Seconded]** Does any Member wish to speak on the amendment?
Yes, Deputy Noel.

6.2.2 Deputy E.J. Noel of St. Lawrence:

I rise to speak to Deputy Le Fondré's proposed amendment which seeks to determine in advance a specified level of dividend from S.o.J.D.C. During the course of the past year we have seen good progress being taken by S.o.J.D.C. It is only in the last year that they have become responsible for the J.C.G. site and I am delighted that such a scheme for the development of this site has been submitted for, hopefully, planning permission. Furthermore, this scheme includes a generous allocation for social housing. This is entirely within keeping of the objectives of this Assembly by improving the number and quality of social rented homes for Islanders and to provide some additional lifelong homes for the people of St. Helier. Progress has also been made with the Jersey Finance Services Centre. Negotiations on pre-lets of the office accommodation are very encouraging, not just from the point of view that they will generate future incomes for the company and ultimately for the States, but also because of the confidence that it shows in the future of our financial services industry and, for some of our larger employers, their interest in this site is encouraging. These are examples of the good progress being made by the new board. The board members have impressive C.V.s (Curriculum Vitae) and extensive experience. I have every confidence that they will deliver projects that are important to Jersey, not just in financial terms but in social terms. As with all development businesses they need positive cash flow to invest in upfront and to optimise their returns. Dividends will float and I am happy to trust the new board to declare those dividends at the right time and after consolidating their ongoing plans and projects. I say to Members, let us get behind the new board and support them. Deputy Le Fondré and I have many things in common: we are both of course Deputies for St. Lawrence; we are both chartered accountants; we both have accounting degrees from Kingston Polytechnic but our opinions on how the cash currently held within S.o.J.D.C. should be used is very different. Do not get me wrong, we both want what is best for Islanders but we come to different conclusions. I consider that the best return for Jersey is for the cash balances to be invested into financing of initial pre-development phases for both the old J.C.G. site and for the Jersey Financial Services Centre. For S.o.J.D.C. to bother to seed capital, even if they could find a willing lender at this time, the interest rates and the facility fees would be far more expensive than using its own cash balances. Further, the rates of interest and the facility fees would be greater than the returns we would receive should this cash be invested in a common investment fund. Simply the best value to us as shareholders is for S.o.J.D.C. to hold on to their cash balances and for them to use these balances to finance the pre-development phases of the current projects. Deputy Le Fondré, in his report, refers to other wholly-owned States companies. But these are different; these are utilities companies. Property development is not the same as running a utility company. Utilities have almost an annuity-based

stream of income. Development companies have lumpy revenue streams and as such they require a different approach to managing their respective cash flows and cash balances. I am afraid that I do not agree with Deputy Le Fondré and I do not believe that he is right in his assumption that by taking cash out of S.o.J.D.C. in 2014 and 2015 it will make the company leaner and hungrier to achieve. In my opinion, it will in fact have the opposite effect. It will starve the company of seed capital it requires and along the way it will de-motivate the new board and the staff members. S.o.J.D.C. and W.E.B. before it has, on a number of occasions, and I quote the Constable of St. John here, “been cut off at its knees”. I do not wish for it to be operated at a level that is below its natural height or with its hands tied behind its back.

[14:30]

Successful development companies require strong balance sheets, both in terms of the liquid and non-liquid assets. I do not wish to repeat the arguments as set out in the Council of Ministers’ comments as I am sure that most Members will have read them and had time to digest them before today’s debate. S.o.J.D.C. was set up to deliver projects that resulted in other benefits to our community other than just cash dividends and it will in fact do both. £3.5 million of cash dividends are already estimated for each of 2016 and 2017 with further more significant dividends forecasted thereafter. S.o.J.D.C. has a plan, a detailed business case, detailed forecasts for both future profits and for dividends to be paid. Treasury has set up appropriate governance procedure around this investment in S.o.J.D.C. with quarterly and year-end monitoring, both internally within Treasury and externally with external auditors. S.o.J.D.C. has made significant progress in current development projects. We should allow the company to continue as planned, and it will go on to deliver much more than just dividends. To take dividends out at the pre-development stage is not only short-sighted; it is potentially very damaging. I know that Deputy Le Fondré does not wish to do that or damage the company or, indeed, the States’ investment in S.o.J.D.C. I believe, as he has stated, that he simply wants to make Members aware that S.o.J.D.C. has to deliver as promised, and it will. The company is now self-sufficient from a funding perspective. What we as States Members need to do now is support it and allow it to execute its plan for the benefit of all. I am hopeful that Members will appreciate Deputy Le Fondré’s good intentions but they will not support this amendment.

6.2.3 Deputy J.H. Young:

I will speak briefly. I think Deputy Le Fondré has done us a service by identifying the accounts of States of Jersey Development Company and the amount of cash within the company. I certainly was not aware of it, and it reminded me when I read Deputy Le Fondré’s proposals for distributing that cash and putting it into the pot, as it were, for general spending. I thought to myself, what did we set the Development Company up for? What did we intend that they would do with those funds? One of the recollections I have is that development agencies elsewhere often make investments in the public domain in infrastructure investments which lead to commercial opportunities for development within their area that would not otherwise take place had not those infrastructure investments been made. What you would describe as “frontloading” investments. I thought, looking again at the comments in the Council of Ministers, £6 million. The Development Company needs to spend money on preliminary work in advancing the finance centre scheme for the Esplanade car park. I understand that. But is it necessary that agreements need to be structured that would swallow the whole of the £6 million? Would any funds be available for other purposes? I was reminded, and I forgot about it until listening yesterday to so many media, on the island site. The island site was always seen as the key link between the waterfront and town, and we have to factor in the problem of the road, an inhibiting factor to solving those methods of crossing. One of the waterfront plans many moons ago certainly included the concept of a bridge link. A bridge link one would get for less than £6 million, so my hope is that the Development Company will look at

those opportunities as well as frontloading or freeloading expenditure on the Esplanade Island site, but look for other opportunities where we may make infrastructure investments which would lead to further commercial development and remove some of the barriers and lessen the risk taking for those early tenants who have to go in sites like the island site. The original concept was there would be a bridge link from that site across to the area where the flats are, which is where the flats were set back to provide a landing place; very sensible, foot fall for everybody, leading to development opportunities. So, I cannot support the amendment because I would prefer that those monies go into that sort of investment rather than back into the pot. I think it is very much in my theme of where we raise money. I think we should ring fence it for those purposes and this is an example of that. That is why I cannot support the amendment.

6.2.4 Deputy R.G. Le Hérisier:

Very quickly, it strikes me the gospel has always been that we must introduce business models to the way that the States work and it seems very strange that Deputy Noel should have been arguing against that. Of course, in normal circumstances he would see that as the salvation of the way we do things. It may be a bit late, and perhaps Senator Ozouf is going to participate, but I would like to know what the measurement of performance is. Because there are well-known models of development companies, as we know, and ultimately it does come down to the lucre, the money, and I would like to know what the measurement is. Of course, this is the gospel that has been preached continually for many years of late so let us hear what conditions the S.o.J.D.C. is operating under.

6.2.5 Senator P.F.C. Ozouf:

I will be very brief. I sense the mood of the Assembly is that perhaps this amendment is the right spirit but not the right time to make the amendment, in terms of supporting it for withdrawing money. There are 3 things that I wish to say. I absolutely agree with Deputy Young in terms of the importance of S.o.J.D.C. to invest in public infrastructure and in terms of the public realm. S.o.J.D.C. has already done that under its previous guise in terms of the investment, for example, in Weighbridge Square, which I think now is a widely appreciated public realm and in future, and S.o.J.D.C. should be doing more of that. In terms of holding to account, the Treasury does now have - and S.o.J.D.C. now comes under the Treasury and Resources Department as opposed to the Chief Minister's Department - established arrangements in place for dealing with all of those companies; holding them to account, signing off on business plans, setting targets within our arrangements. If the Deputy would like to come in and get a briefing, as I have given to a number of States Members, on how we hold those companies to account, then I am happy to do so. But I can say to the Deputy that I am very satisfied, as is the Assistant Minister, in relation to the performance of W.E.B. under the due chairmanship and the non-executive directors, particularly our own non-executive director as a specific remit to deal with the Treasury. We have all those performance measurements in place. I do not really want to spend a whole new debate on how we hold those companies to account. Perhaps the most important thing is yes, there are going to be some dividends from S.o.J.D.C. but I think there needs to be a debate about what we are going to do with those dividends. The Constable of St. Helier has been involved in ensuring that there is some investment in town regeneration that needs to happen with the fruits of the development on Esplanade Square and on those other areas such as Zephyrus which the Deputy criticised as almost not happening. I wonder if the Deputy really thinks that the S.o.J.D.C. should have been taking a risk in starting Zephyrus in the current economic situation. We hope Zephyrus will come but it would not be appropriate to start that Zephyrus development in the terms of this economic debate. The Deputy has been helpful. He has put a line in the sand. He has put a marker down. There is going to be evidence from S.o.J.D.C. We need a debate about the extent to which there is going to be public realm investment in town regeneration or, for example, supplementing the capital

programme. So, it is the right spirit of the amendment but not the right time, and I think Members should reject the amendment because those dividends are not yet there. They need to be deployed for J.C.G. and social housing provision, and for more housing provision. Those dividends will flow in years to come.

Deputy R.G. Le Hérisier:

I wonder if the Senator could answer my point. What are the key performance measures?

The Bailiff:

I think you made your point.

Senator P.F.C. Ozouf:

I do not think there is any point in us going forward with the specific issues. This is a very complex area. Every site has its performance evaluation. We hold the board of directors to account and I think they are doing a jolly sight better, if I may say so, than previous incarnations of S.o.J.D.C. If the Deputy or any Member wishes to come to see Deputy Noel and me to debate these issues, we are happy to do so. I do not really want to take up this lengthy debate on a micro issue in relation to a nevertheless important issue.

6.2.6 Senator S.C. Ferguson:

I am curious about this. It was my understanding that when we transferred properties from the States or from J.P.H. to S.o.J.D.C. we had the maximum value to the States before the transfer according to appendix 7 of the original proposition. I think in due course the Minister for Treasury and Resources needs to confirm that this happened, because it sounds to me, the way people are talking, as if it did not, and I think this needs attending to. But anyway... the Minister for Treasury and Resources keeps muttering here to my left. **[Laughter]** He has had his turn; it is mine now. I think perhaps we need an accounting of how the transfer and the value which was transferred, and the value which was given to the States for the transfer.

6.2.7 Deputy G.P. Southern:

Oh dear, I suspected this might happen. Here we have a major and serious amendment to the Medium-Term Financial Plan which is likely to be binding and hard to adjust in the next coming 3 years, and already we are being told this is a good idea but the wrong time. How can this be the wrong time when we are about to set in stone the conditions of the Medium-Term Financial Plan, which is going to stretch us not just over one year but over 3 years? We are almost in danger there of having a proposer, one speech, 2 speeches; we almost closed down the debate with 3 speeches on a major issue concerning States of Jersey Development Company. We are told the answer is they have a business plan. But I think the control of S.o.J.D.C. is in the name: States of Jersey. States of Jersey should be in control of the Development Company and that is exactly what this proposition suggests. We have here a Medium-Term Financial Plan which appears to have scraped every barrel, every little pot that it possibly can in order to eke out and get that magic nirvana, a balanced budget. Of course, it is not a balanced budget because there are great big holes in it, and in fact, one has to suggest that the Minister for Treasury and Resources has failed in his duty to bring a balanced budget. We might return to that later. Nonetheless, we have turned over every stone, examined every nook and cranny to make sure that we have enough money in the pots to make this look like a balanced budget, and here we are, apart from S.o.J.D.C., because they must not be interfered with; they have a plan. To take a little bit off them and say: "How about some return now?" is, we are told, a mistake. I do not believe necessarily that is the case. I will be voting for this proposition and I urge Members to do likewise.

6.2.8 The Connétable of St. John:

I have said it a number of times over the last few months. The Council of Ministers should stand or fall by their proposition on the Medium-Term Financial Plan and not have permitted any amendments. That way we would have debated their Financial Plan in its entirety.

The Bailiff:

If I may, Connétable, that is outwith the power of the Council of Ministers. They are not able to refuse to take any amendments under Standing Orders and Members are entitled to lodge amendments.

The Connétable of St. John:

There are ways and means. **[Laughter]** I am sure that, as you know, there are ways and means of getting around most things and I am sure it would not have been beyond the wit of man to find a way to get out of that particular one. If they had, we would have had a nice strong Council of Ministers and not have to have all these amendments. That is what I would have liked to have seen and I have said it. In fact, a number of Ministers have agreed with me although they may not say so publicly. That said, the saying goes we are where we are.

[14:45]

But I think the former Assistant Minister for Treasury and Resources, who probably knows a lot more than 95 per cent of us in this Chamber about exactly what goes on within the Treasury as he had responsibility for setting up in part the States of Jersey Development Company... in a big part. He was there, I believe, for the Treasury in your time as one of your assistants. Therefore he would have known what was going on, and if he did not I think there would be something wrong in your department if he was not aware what was going on within that area. That said I will move on. The current Assistant Minister was telling us all about the Girls' College and the proposed new finance centre, *et cetera*. If I recall correctly, did I not bring a proposition to this House about delaying things on the finance centre or that area of town, the waterfront, until we turned the corner, for want of a better word? I think it was adopted. We have not really turned the corner at this moment. We do not even know what is going to happen in America today. If the news at 5:00 a.m. this morning is anything to go by, a double dip will be nothing if there is something else coming up around the corner from across the Atlantic. I sincerely hope I am wrong for all our sakes because we have some more mountains to climb and therefore, given that I understand there may have been some plans gone into the Department of the Environment to start something at the finance centre... but that is probably years away; years away, given the speed that all these things happen. By the time it has gone through all the planning issues for the finance centre and all that goes with it, probably some inquiries and finishes up going to Scrutiny and everything else, we are talking a long, long way off. I do not think Deputy Le Fondré is far out in what he is proposing and I think, unless somebody can convince me otherwise, I will be voting with this proposition because I believe there is merit in what is being said here. I will not say much more because we have many things to debate. Thank you.

The Bailiff:

So you will be exercising your right in favour of an amendment that you do not think it should have been... **[Laughter]**

The Connétable of St. John:

The St. John's way, Sir.

6.2.9 The Deputy of St. Martin:

Deputy Southern was quite right. We were very close to coming to an appel on that first amendment, and I think the reason for that was the first 3 or 4 speeches we had on that were

excellent. We had the proposition. We had the alternative view. We had Deputy Young who gave us an excellent opportunity to use funds when they were available to us for public benefit. I am a great believer in allowing the States trading companies to retain their profits providing they are doing good work with them. But when they do have money they need to pay it back to us in the form of a dividend. The Minister for Treasury and Resources I believe is right in saying that a line has been drawn in the sand here and a mark has been set down, but we do have in front of us a 3-year plan which allows the States of Jersey Development Company to keep its money and use that cash for good causes with a view to repaying a dividend early in the term of the next financial plan. We need to remember that, we need to hold them to it and I think we need to allow them to keep their money for the next 3 years so that they can start these developments which are so important to us.

The Bailiff:

Does any other Member wished to speak on the amendment? Very well, I invite Deputy Le Fondré to reply.

6.2.10 Deputy J.A.N. Le Fondré:

I will do a relatively quick summary. I will just thank those who have generally spoken. Yes, the main principle was to put a marker down in the sand. I will respond to Deputy Noel, my good friend and colleague who obviously went to the more old-fashioned accounting degree at Kingston Polytechnic and I went to the more revised and modern one. **[Laughter]** Just to clarify that I did not just pick the figure out the air. The figures I produced were based on the fact that in 2008 the company reported a £5.5 million profit, so I figured that an element of that would not be unreasonable to come back to the States at some point in the future. But, as I said, the key thing is to get people thinking about performance and delivery and, irrespective of whichever way this goes today, to note in a certain number of years' time where we are and the promises that have been made today. Obviously, from the point of view of the business plan, that all works and the S.o.J.D.C. proposals are all fine, providing the finance centre goes ahead. Obviously there is a race. There are 2 schemes in competition with it, and I think the first one who gets the tenants is going to succeed. I do not know whether the money spent in getting that permission is wasted or not if you do not get the tenants. So, the point is making sure, on a commercial balance, on risk and things like that, that the right decisions are being taken. I will deal as well with the other people who have spoken, if I have not identified them. In relation to Deputy Young, the one thing I will say is that money in S.o.J.D.C. will not be earmarked for a bridge. Either it is going to come out of the company into States hands - and I have not identified the spending I hasten to add; I am just looking at where the income goes - or it will be spent on the 2 schemes identified. In relation to the amendment, it is split into 2 parts. It is £2.25 million in 2014 and £2.25 million in 2015. The latter, 2015 in part 2, is only 6 months before the date these comments say they will be paying us £3.5 million. I hope Members will understand the principle I am trying to establish; that some form of mechanism is in place to ensure tangible performance in the form of a return. That is what S.o.J.D.C. is also about. It is a delivery vehicle which allows us to tap into developer profits. It is meant to be achieving returns. If Members consider I am being too harsh, which is obviously one of the messages we have had from Treasury, in asking for a dividend in 2014, fine. But bear in mind, as I said, the company has either reported or is projecting approximately £10 million in profits to the end of this year; that is less than 2 months away. It has regularly paid out performance bonuses to the position of managing director and to other staff. So, is it unreasonable to require them to start focusing their minds on performance to us? Is it unreasonable to ask for something to be returned in 2014; that is 6 or 7 years after it started being profitable? If it is, and that is obviously what the comments say, is it equally as unreasonable to ask for £2.25 million another year later, i.e. 7 or 8 years after it started being profitable? That is part 2, just 6 months

before we are being assured we can have an even higher return. So, I tend to go for having a bird in the hand and asking for something just that little bit earlier. We have had a lot of promises in the past and a lot of cost has been incurred. Certain buildings were meant to have been transferred to the States. Instead, as I have said, we have ended up incurring costs on those buildings. All that tends to obscure the true operating costs of what is in that company. We still do not see a return to the States or the taxpaying public. The whole structure is meant to be improving transparency and clarity to the relationship. There is a phrase I came across which is: “Big goals get big results; no goals get no results or somebody else’s results.” What are the drivers to ensure that projects move swiftly and with the deliverables? As I have said, no, I would not like Zephyrus to be built in the present climate, but the point I was making is that it is a scheme which has incurred a lot of costs, it has been drawn up, we have planning permission and it is going nowhere at this stage. Again, the point was it was not so much the issues within S.o.J.D.C. It is the principle that it has taken 2 years from where we were at Property Holdings to now be talking about planning permission. How do you get that drive? If somebody knows they have to pay out some money later on, they are going to be biting your hand off to keep that thing moving forward. It is about that incentive. It is about trying to get concrete in the ground, not just pretty pictures on a website. As I said, I am asking for the votes in 2 parts. The first part is in respect of the dividend to be declared in 2014. That may be too soon for Members. I would also be delighted if Members are going to support both parts, but perhaps they might even think about a compromise and go for part B. That is 6 months before the period in which we have been told we are going to be paid a lot more than I am suggesting. That is down tomorrow. That is the next States Assembly. How about bringing some certainty in and laying down a marker that we want some results in our time? On that basis I call for an appel and ask for the 2 votes, parts (1) and (2) separately, please.

The Bailiff:

Thank you, Deputy. An appel has been called for and the vote will be in 2 parts. The first is in relation to paragraph (1) which relates to the year 2014, and the second is in relation to paragraph (2) which relates to 2015. We will take paragraph (1), first; that is 2014. The Greffier will open the voting.

POUR: 10		CONTRE: 37		ABSTAIN: 0
Senator A. Breckon		Senator P.F. Routier		
Senator S.C. Ferguson		Senator P.F.C. Ozouf		
Connétable of St. John		Senator A.J.H. Maclean		
Deputy J.A. Martin (H)		Senator B.I. Le Marquand		
Deputy G.P. Southern (H)		Senator F. du H. Le Gresley		
Deputy J.A.N. Le Fondré (L)		Senator I.J. Gorst		
Deputy S. Pitman (H)		Senator L.J. Farnham		
Deputy M. Tadier (B)		Senator P.M. Bailhache		
Deputy M.R. Higgins (H)		Connétable of St. Helier		
Deputy G.C.L. Baudains (C)		Connétable of Grouville		
		Connétable of St. Clement		
		Connétable of St. Peter		
		Connétable of St. Lawrence		
		Connétable of St. Mary		
		Connétable of St. Ouen		
		Connétable of St. Martin		
		Connétable of St. Saviour		
		Deputy R.C. Duhamel (S)		
		Deputy R.G. Le Hérisser (S)		
		Deputy of St. Ouen		
		Deputy of Grouville		

	Deputy J.A. Hilton (H)		
	Deputy of Trinity		
	Deputy K.C. Lewis (S)		
	Deputy E.J. Noel (L)		
	Deputy T.A. Vallois (S)		
	Deputy A.K.F. Green (H)		
	Deputy J.M. Maçon (S)		
	Deputy of St. John		
	Deputy J.P.G. Baker (H)		
	Deputy J.H. Young (B)		
	Deputy S.J. Pinel (C)		
	Deputy of St. Mary		
	Deputy of St. Martin		
	Deputy R.G. Bryans (H)		
	Deputy of St. Peter		
	Deputy R.J. Rondel (H)		

The Bailiff:

The Greffier will reset the machine and we will move on to paragraph (2) of the amendment, and the Greffier will now open the voting.

POUR: 16	CONTRE: 31	ABSTAIN: 0
Senator A. Breckon	Senator P.F. Routier	
Senator S.C. Ferguson	Senator P.F.C. Ozouf	
Connétable of St. John	Senator A.J.H. Maclean	
Connétable of St. Martin	Senator B.I. Le Marquand	
Deputy R.G. Le Hérisser (S)	Senator F. du H. Le Gresley	
Deputy J.A. Martin (H)	Senator I.J. Gorst	
Deputy G.P. Southern (H)	Senator L.J. Farnham	
Deputy of St. Ouen	Senator P.M. Bailhache	
Deputy J.A.N. Le Fondré (L)	Connétable of St. Helier	
Deputy S. Pitman (H)	Connétable of Grouville	
Deputy M. Tadier (B)	Connétable of St. Clement	
Deputy T.A. Vallois (S)	Connétable of St. Peter	
Deputy M.R. Higgins (H)	Connétable of St. Lawrence	
Deputy J.M. Maçon (S)	Connétable of St. Mary	
Deputy G.C.L. Baudains (C)	Connétable of St. Ouen	
Deputy S.J. Pinel (C)	Connétable of St. Saviour	
	Deputy R.C. Duhamel (S)	
	Deputy of Grouville	
	Deputy J.A. Hilton (H)	
	Deputy of Trinity	
	Deputy K.C. Lewis (S)	
	Deputy E.J. Noel (L)	
	Deputy A.K.F. Green (H)	
	Deputy of St. John	
	Deputy J.P.G. Baker (H)	
	Deputy J.H. Young (B)	
	Deputy of St. Mary	
	Deputy of St. Martin	
	Deputy R.G. Bryans (H)	
	Deputy of St. Peter	

6.3. Medium-Term Financial Plan 2013 - 2015 (P.69/2012): tenth amendment (P.69/2012 Amd.(10))

The Bailiff:

We come next to the tenth amendment, paragraphs 1 and 4 lodged by Deputy Higgins and I will ask the Greffier to read those 2 amendments.

The Greffier of the States:

Page 2, paragraph (b) - after the words "as set out in Summary Table A" insert the words - "except that the total amount of States net expenditure shall be increased by £60,000 in 2013 to enable the payment of a grant in this amount to the Band of the Island of Jersey." Part 4, page 2, paragraph (c)(i) - after the words "Summary Table B" insert the words - "except that the net revenue expenditure of the Economic Development Department shall be increased by £60,000 in 2013 to enable the payment of a grant in this amount to the Band of the Island of Jersey."

The Bailiff:

I will ask the Minister for Treasury and Resources whether he is minded to accept.

Senator P.F.C. Ozouf:

This is one example of which there are a number in which the Council of Ministers is trying to find an alternative way to what the Deputy is proposing. Hopefully the Deputy will make a few remarks, accept that we have found a compromise and move on to the next item, having won what he is trying to achieve in broad terms.

6.3.1 Deputy M.R. Higgins:

As the Minister for Treasury and Resources said, I launched this amendment to achieve 3 things. The first was money to fund new uniforms for the Band of the Island of Jersey, who we all think are an excellent band, among the best in Europe and elsewhere and brilliant ambassadors for the Island. My second objective was to reinstate the post of the Island Military Liaison Officer who, under Ian Robinson in the past, brought many military personnel to the Island. They not only carried out much public and charitable work, whether it be cliff paths, enclosures of Durrell or things for Jersey Heritage, they also brought military units to the Island which spent 10,000 bed nights in the Island and spent £1 million a year. When the Island is in recession I think it is important that we explore every avenue and I wanted to see if that relationship with the military, not only just taking from the military in the sense they are coming over here and doing things for us, but the Island putting something back, because the Island uses it for R. and R. (rest and recreation) for units coming back from overseas operations and also for pre-service deployments. I think it is a very valuable and important link, so I wanted to see that post re-established in a very proactive manner. The third thing I wanted...

Senator P.M. Bailhache:

May I ask on a point of clarification whether we are dealing with all of Deputy Higgins' amendments?

The Bailiff:

I understand that he may be about to make an announcement in relation to all of them.

Deputy M.R. Higgins:

The third item was to secure money for a new headquarters building for the Jersey Sea Cadets, a building they were originally promised in 1996 and are still waiting for today.

[15:00]

Those of us who visited their premises, especially on a rainy evening, know how the rain pours through the roof and the facilities are totally unacceptable. They were the 3 objectives I had. How these objectives are achieved is of no concern to me so long as they are achieved in the near term for the reasons I have stated just now and in my report. Although the Council of Ministers have opposed my amendment, I have met with them and have had some very constructive talks, and they have agreed to fund each of my aims, although perhaps in a slightly different way. The objective is what is in mind rather than the means of achieving that objective. The Band of the Island of Jersey will receive £60,000 over the next 3 years for the uniforms and equipment, which is a good point. It is one I intended to put in but forgot to put in my original proposition. Therefore I shall be withdrawing this part of the amendment. The role of the Island Military Liaison Officer - and by that I mean a very proactive one because you have to have the right person in the post to achieve the aim - is going to be combined into a new post created under the control of the Office of the Lieutenant Governor, known as the Cadet and Military Liaison Officer. I fully support this post and the funding for it because I believe it will be of great benefit, not only to our uniformed youth organisations, but it will also mean the appointment of a proactive individual who will re-establish the links that the Island Military Liaison Officer had. It is a significant part of his duties to go out, meet with the units, encourage them to come here and also discuss with the Parishes and others the projects they would like to be undertaken while they are here. I fully endorse this post and because of that I shall also be withdrawing this part of the amendment. Finally, the Sea Cadets will be receiving a new headquarters in 2014, a fact that was confirmed to me at lunchtime by the Assistant Minister for Treasury and Resources, Deputy Noel, who has assured me that they are exploring a public-private sector initiative over the next few months. If that does not materialise, then in 2014 the £800,000 we are seeking will be put into the capital budget and they will have a new headquarters by the end of 2014. On that basis I am happy to withdraw this part of the amendment as well. I would like to thank the Council of Ministers for looking at this and agreeing with my aims and for their way of coming up with the funding. I shall ask you to withdraw my amendment.

The Bailiff:

To be clear, Deputy, you withdraw all the parts of the tenth amendment.

Deputy M.R. Higgins:

Yes. I have taken the Council of Ministers at their word and I trust they will follow through. Yes, I am happy to do. Thank you.

The Bailiff:

Thank you very much, Deputy.

Senator P.F.C. Ozouf:

May I just express on behalf of the Council of Ministers our thanks to Deputy Higgins for taking such a reasonable approach, and also the Office of the Lieutenant Governor who has also been important in passing a solution which is a win-win-win for all concerned.

6.4. Medium-Term Financial Plan 2013 - 2015 (P.69/2012): third amendment (P.69/2012 Amd.(3))

The Bailiff:

We come then to the third amendment which has been lodged by Deputy Tadier, and I will ask the Greffier to read the amendment.

The Greffier of the States:

1 - Page 2, paragraph (b) - after the words “as set out in Summary Table A” insert the words - “except that the total amount of States net revenue expenditure shall be increased by £25,000 in each of the years 2013, 2014 and 2015 in order to provide funding for the reinstatement of 24 hours a week French language assistant teaching in primary schools.” 2 - Page 2, paragraph (c)(i) - after the words “Summary table B” insert the words - “except that the net revenue expenditure of the Education, Sport and Culture Department shall be increased by £25,000 in each of the years 2013, 2014 and 2015 in order to provide funding for the reinstatement of 24 hours a week French language assistant teaching in primary schools.”

Senator P.F.C. Ozouf:

I think I should probably hand over to the Chief Minister. I need to declare that I am a member of the Alliance Francaise which would benefit from the funding. The Chief Minister has been ably dealing with these issues. I will declare an interest and not take part in the debate.

Senator I.J. Gorst:

As you are aware, I indicated to the Deputy that the Council of Ministers has requested the Department for Education, Sport and Culture to provide this service from within existing budgets. They have confirmed to me that they will do so, and I understand that the Minister for Education, Sport and Culture will confirm that because we have therefore asked, he will do so as well. So, the Deputy can have confidence that it will happen in that way, and therefore I hope there is no need for him to pursue his amendment, because the service will be provided.

The Bailiff:

Deputy, I would normally call on you now to propose the amendment. Would it assist you if we asked the Minister for Education, Sport and Culture to say anything first in the hope that it will assist?

Deputy M. Tadier:

I am maintaining the amendment on the basis that I think there is a difference in where the funding comes from, so I would ask if the Minister is supporting the amendment or not.

The Bailiff:

If you are maintaining the amendment, our Chief Minister...

Senator I.J. Gorst:

Hopefully I have made it quite clear we are not supporting the amendment because we are saying the Department of Education will provide the service from within the existing budget.

The Bailiff:

I invite you to make the proposition and make the amendment, Deputy.

Senator L.J. Farnham:

May I ask as a point of clarification? If the Deputy does as he is planning and bring the amendment, and it is lost, I presume the Minister for Education, Sport and Culture will continue to provide the funding, even though the amendment may be lost.

The Bailiff:

It is for the Minister for Education, Sport and Culture to say so, but the Chief Minister appeared to indicate that this was something the Minister for Education, Sport and Culture was going to do anyway.

Senator I.J. Gorst:

The Council of Ministers has listened to the appeals of Deputy Tadier and recognised the value of what he is proposing. Of course, should he maintain his amendment and the States say no, they do not wish to do so, that will put the Minister for Education, Sport and Culture in a very difficult position, because the States will be saying they do not agree with the position taken by Deputy Tadier or the Council of Ministers with regards to providing this service.

The Bailiff:

If I may, Chief Minister, I do not think that is right. The proposition is to increase the amount of money, and that will be lost. There would be nothing said by the States as to whether they are or are not in favour of the teaching of French.

Senator I.J. Gorst:

While I do not wish to dispute your ruling, the whole premise of increasing the budget is to provide this service. Therefore, should the amendment be lost, I would find it extremely strange indeed that the Council of Ministers would then continue to support the provision of the service if the Assembly is suggesting otherwise. But I recognise that, strictly speaking, your ruling is absolutely right.

6.4.1 Deputy M. Tadier:

I have not even said a word yet. **[Laughter]** It will all be in English, if anyone has any doubts. The reason this does need to be aired at least is because there is a lack of clarity here between firstly the principle for which the money is looking to be designated, that is to say to reinstate primary school language assistants for French in primary schools, and the funding thereof. There are 2 ways to do that. I must admit it has not been an easy ride, although it has been quite an interesting one. If I can just put this in context, I met with the Minister on Thursday with one of his officers, and the information I was given... I was slightly disappointed insofar as there was not the same support and enthusiasm for my amendment as I later found out there was from the Council of Ministers for the principle of reinstating primary school language assistants. But there was also what I would call some conflicting information and advice about how the funding would work. I would be interested to hear hopefully from the Minister for Education, Sport and Culture in short order as to what his official response is to the States Assembly. There was a lack of clarity, in my opinion, from the department supporting this in terms of it in terms of it being an effective use of the money, and in terms of it coming out of their budget. I was told if they did have an extra £25,000 or if they had £25,000 from within their own budget they would not spend it on reinstating primary school language assistants because they did not think it was a good use of money. Indeed, yesterday in the meeting with the Chief Minister, the Minister for Education, Sport and Culture called it a luxury. That is where I completely part company with the Minister for Education, Sport and Culture. I do not think that having language assistants in primary schools to work alongside the main teachers in the primary schools... who are not necessarily specialists, incidentally in some cases they may be, but by and large they are not specialists. Although they have to do a broad range of teaching in schools at primary level, and that is understood, I think, and not a criticism in any way. I completely do not think it is a luxury. I think it is a very effective use of a very small amount of money to complement and supplement the teaching that the teacher in the classroom cannot do. It is a completely different skill set and it enhances the learning of the languages, and I have set that out in my report. I do not want to go over that again. The other thing I was told in the meeting was if I increased the budget to the Department of Education, Sport and Culture it would

come out of the Minister's budget anyway, therefore he was saying: "If I adopt this I will be in a very difficult position because I will have to cough up the money from my budget anyway." I said: "If that is the case, that is completely ludicrous. That is why I am asking to give you an extra £25,000 so that you do not have to make cuts in other departments." I did not want to put the Minister in a position, for example, where he may have had to choose between having a science lab technician or extra language assistants in primary schools. So, I do not think that would be a wise way, to rob Peter to pay Paul in that sense, or to rob Pierre to pay Paul, if you like. I did not want to put the Minister in that position so I was very confused. I was waiting for something from the Minister for Education, Sport and Culture over the weekend and I did, in the meantime, directly email the Chief Minister, copying in the Minister for Education, Sport and Culture, to find out exactly what was going on. I was not aware that there was even support for the principle of language assistants in primary school. I am aware that is the case now. So, clearly I do not mind in one sense where the money comes from for this. I need a reassurance. The other lack of clarity for me at this point is that I do not know whether the underspends will exist at the Department of Education. It is not clear whether those underspends will still be there at the end of 2013, 2014 and 2015. If they are there, they have already been earmarked for something else, because we know, I think, that the Minister for Education, Sport and Culture and his officers could probably spend this amount of money and any underspends in any number of ways, and there may well be demands for higher education funding and that is another issue. So, how do I know, without an increase in funding, that when the political motivations have changed in a year, in 2 or 3 years we are going to see some other cuts somewhere else and I will be blamed when there is a cut in the science or maths teaching or some other provision? I am not willing to take that risk, and for the sake of the small amount of £25,000 the Council of Ministers is saying that it is such a small amount you can find it out of your budget. But if I were the Minister for Education, Sport and Culture I would say it is an even smaller amount in terms of the Council of Ministers' overall budget. Let us put this in context. In terms of per head of population it works out to about 25p contribution for every person in this Island in order to have French assistants reinstated in schools. I do have to declare an interest, obviously. I am a francophile, a francophone and I was a language assistant myself. The French are well known to use an extensive programme through the British Council in their primary schools, whereby English speakers from all over the world can come to France to teach their children in primary schools, secondary schools and at tertiary level; this is recognised to be important. Just to summarise very briefly my proposition, I do not think I necessarily need to convince people in this Assembly of the importance of the language assistants. That is the key age. If there are 2 ages when the language assistants are at their optimum use in schools it is at examination level, which quite rightly has been maintained. That is the key area, and it is at the age of 7 or under, because that is the age where scientists and linguists have shown that children pick up languages like a sponge; it is up to the age of 7. The way our brains work is that they mimic, they can pick up accents which later on in life we do not even know existed. There are sounds which in older age we cannot even hear, let alone recreate. That is the key thing, and I think if you went to primary schools the head teachers and assistants would all be in agreement that there is a great partnership that goes on which has unfortunately been lost in the last 2 years, and we may not see the consequences of that for another 5 or 6 or 7 years until these students are coming out at exam level. I do not want to be in a position in 7 years' time to see a dip in the level of French results because they have not had the very modest assistance from the Council of Ministers. What I am doing, in order to not put anyone in a difficult position, is to maintain this amendment and ask the Council of Ministers to fund this. If there are underspends afterwards that is fine. The Council of Ministers can approach the Department of Education, Sport and Culture and get their £75,000 back. If there were no underspends at the end of 3 years, that is fine. There were no underspends anyway and this will be funded. I think that is the decision for the Council of Ministers to make. I would ask for the Council of Ministers, as I said earlier in French, to show me the money, show the

Minister for Education, Sport and Culture this very modest amount, and if there are underspends to be clawed back then claw them back from the Minister for Education, Sport and Culture at that time.

[15:15]

Just to sum up, I clearly recognise that this is just one small aspect of language learning. I am not biased towards French. It is simply the fact that French is the only language which is taught across the board in our primary schools. If we had other languages being taught at primary school then clearly I would recognise the importance of language assistants at that young age as well. It is all about early intervention no matter which department you are talking about. If we can invest a small amount at a young age it saves us investing larger amounts when students are older. I maintain the amendment.

The Bailiff:

Is the amendment seconded? **[Seconded]**

6.4.2 Deputy J.A. Hilton of St. Helier:

I understand Deputy Tadier's passion for French and the French way of life, but at the end of the day I do believe that we are here today to make some very hard decisions about how we spend the money we have available to us. To me, if we are going to spend an additional £25,000, whether that is supplied by the Council of Ministers by increasing the Minister for Education, Sport and Culture's budget or whether it is the Minister for Education, Sport and Culture finding £25,000 from somewhere within his budget, I personally cannot support that because I believe there is a greater need elsewhere in primary schools than for French language assistants. In his proposition he talks about funding a French language assistant for 24 hours a week and I am not quite sure how, practically speaking, that is going to work out through the entire primary schools. I am not sure how many we have in the Island but it must be about 16 or 17 I would have thought. I was wondering how that was going to pan out. I cannot support it because I have been talking to people who work in town primary schools and in several of those I know there are issues around very demanding pupils. I cannot believe those schools have not gone to the Department of Education, Sport and Culture and asked for additional help to help with those children who are demanding in various different ways and are causing the schools to be stretched in a lot of different ways. For that reason I really cannot support this. If £25,000 is going to be spent on additional schooling I would rather see it go to classroom assistants for town or urban primary schools where there is a very obvious demand for additional support in the classroom.

6.4.3 Deputy G.P. Southern:

Here we go again. How many times have I heard this type of argument in a debate in the States whereby a Member stands and says: "I am not going to support this because it is not this"? Obviously it is not that, but nonetheless: "I am not going to support it, no matter how worthwhile the cause is." It is not as if today we are debating whether the Minister for Education, Sport and Culture has stood up and said: "Well, I can find that £25,000. I will take it out of Special Needs." If that were the case, then that speech might, just might, have been relevant because it would have involved this particular proposition. But it is not. We have seriously let our language teaching in both primary and secondary schools go. We have had this debate before and I believe it was a serious mistake to cut out language assistants in most schools during the period I have been in this House. I am only surprised that the Deputy has come with such a modest proposal, because had it been me having another go at the French language or languages assistants, I would have gone much bigger because I think we have seriously worsened the provision of language teaching in our secondary schools as well. The first step in reviving language teaching in our schools would have been to put language assistants back on the agenda and back into primary schools and secondary

schools. I would have gone for something much bigger. The fact is we are talking here about something relatively simple, not a question of a £2 billion over 2 years. We are talking about £25,000 here for what I would say is the very minimum we should be doing in our primary schools. I would urge Members to support this proposition wholeheartedly.

6.4.4 Connétable J.M. Refault of St. Peter:

A very short speech; I am afraid I could not disagree more with the last speaker, but I do agree very much with Deputy Hilton's point of view. One of the biggest challenges they certainly have in St. Peter's primary school is not about teaching people French; it is about teaching people English, particularly those coming into reception in first year from the Portuguese or Polish communities or Eastern Europeans. Those are people that... I am sorry, Deputy Southern, I do not understand really your gesticulation to me there. Do you want to amplify?

Deputy G.P. Southern:

Yes. There is absolutely no connection between the teaching of English in primary schools and the teaching of French in primary schools. Where is this particular Constable's amendment to, say, improve English teaching in our schools and put £50,000 or £100,000 or £200,000 in that? Again, it is the same point I made last time; irrelevant.

The Connétable of St. Peter:

I am afraid again I cannot disagree with you more. The fact is that if there are funds available to teach French I would rather see the funds made available to teach English, because whilst these children cannot speak English in the early years, they are holding back the English-speaking children from being able to develop because of the amount of effort being put in by the schoolteachers. Quite simply, that is why I cannot support this amendment.

6.4.5 The Deputy of St. John:

Deputy Tadier and I are in principle agreement that the teaching of modern foreign languages is important and I thank him for his interest and also the interest shown by other Deputies. We may have a difference of opinion in how that should be delivered, but nevertheless I am reasonably open to persuasion in any direction if it improves this. Let me say, though, that there are pressures in town primary schools with regard to the teaching of English as an additional language. There are also pressures for special educational needs and the department will address those and continue to address them, and will address them in the future as those pressures no doubt increase demographically as there are more and more children in primary schools. I am slightly worried about the attitude that says it is only £25,000; we can find it within our budget. I am slightly worried about that. I think that is a dangerous kind of attitude to have when you are running large budgets or small budgets. I would like to think that I would have the same attitude towards £25,000 as against £250,000 as against £2.5 million. If you start down the road of: "Well, it is only £25,000, we can find it from our budgets easily enough", I think that is a dangerous road. So, I would like to assure Members that certainly is not my attitude towards any money in our budget. But it is true to say that we are a fairly large organisation. We have a large budget and, although our carry-forwards are heavily committed in one way or another, it would be possible to provide this service that the Deputy wishes, and it seems quite clear to me that the mood of the House overall is in favour that I do this. So, I would say that if the Deputy is prepared to withdraw his amendment I will provide this service in the department so that we can reinstate in primary schools some teaching assistance to the level that he wishes. I hope that will be sufficient comfort for him to curtail the debate and withdraw it. I judge the mood of the House to be overall in favour of this and I would make the commitment to do that if the Deputy would be prepared to withdraw his amendment in the interests of moving on with this debate and talk about not much more important

things but certainly equally important things. So, I would ask the Deputy whether he would be prepared to withdraw his amendment.

Deputy J.A. Martin:

Can I ask for clarification from the Minister for Education, Sport and Culture? It is very interesting that he is going to find... can he do this without cutting anything else? I just want that confirmation.

The Deputy of St. John:

I believe I will be able to adjust and there will be no significant change. It is wrong for me to say that money does not come out. It does not grow on trees and does not come from nowhere. But it will not have a significant difference in other areas of my budget.

6.4.6 The Connétable of St. Mary:

I was hoping that Deputy Tadier might respond to that before I spoke because I am in a real dilemma over this. I have heard some things in the speeches made by other Members that have given cause for concern. Certainly I can understand Deputy Hilton saying there are lots of other needs, and I think I have such sympathy for the Minister for Education, Sport and Culture. He has a huge portfolio and huge demand on services but only a finite resource, as has everyone else. But everyone wants everything sorted in education; it is so vital. But when I heard Deputy Hilton speak I instantly thought of experiences I have had recently of young Jersey people being held back. I am not making this comment out of anything to do with immigration or whatever, because with the utmost sincerity we have invited and requested people from other countries to come into our economy and therefore we have certain responsibilities, and that is only as it should be. But surely the fact that there is a great need for teaching English to a large swathe of our young people cannot be an excuse or reason not to teach the people who do speak English an alternative language. Otherwise they are once again on the back foot. The very youngsters we are talking about who need to learn English have another language, have this breadth to them that our youngsters will not have because we are not giving it to them. That is a real issue for me, because I grew up at a time when French was much more widely spoken than it is now probably in the Island. Like Deputy Tadier, I am a francophile and a francophone and really, again, that has absolutely nothing to do with this proposition. It could be French or it could be something else. The point is we talk all the time in financial terms about targeted, temporary and timely. Well, here is timely, because you have to hit these children with it when they are young. It is targeted because we know what we need to achieve, but it is not temporary; it is anything but. Giving children exposure to a foreign language is done by every other country in Europe, practically. Look at Scandinavia, look at Luxembourg where my husband used to work and the children there can speak 4 languages by the time they go to primary school at 7 and start maths, *et cetera*. I just think that we are giving something permanent. We are not giving a language; we are giving the ability to learn a language. Whether we are exposing them to French then or later on, they have the aptitude. They have developed the skills; they have got what it takes. It is completely wrong to deny our local born or English-speaking children that access to another language simply because we need to give the access to English to people who speak other languages. Somehow we need to do them both. The only problem I have with the Minister for Education, Sport and Culture is if it is that important and he knows it is important, he can see the mood of the House and the money can just about, with some limitations, be found, why has it not been found before? I have a real problem with this. I would much rather from my own point of view have had Deputy Tadier withdraw this amendment because it is a lot easier all round. I understand Deputy Tadier does not want to be held responsible for a cut somewhere else and I think the Minister has hinted at the fact that he can just about pull this off. But really, and I have said this before in this Assembly, there is just about no better gift we can give our children, especially in this economic climate where the world is so small, than the

ability to speak another language. I really feel so passionately about this, not because of my French connections.

[15:30]

It is because I believe we need to give our children, all of them, the same access to learning any other language and that can only be done, I am afraid, with native speakers. Let us start them with French. Just before I close, when I was doing my G.C.S.E.s and other things and I did French we used to have an examiner come across to my school once a year to take an oral examination. I think things are very different now in how it happens. But I used to have very good conversations with this French examiner and he said that he absolutely delighted in being asked to come to Jersey because nowhere else in the British Isles when he went to do examinations did he find the standard, the fluency and, above all, the love for the foreign language that he found here. I wonder if he came back now - and I am not saying that there aren't some fabulous teachers and some great opportunities - but if he came back here and examined a broad swathe of our pupils at - I did not do G.C.S.E.s (General Certificate of Secondary Education); I did O Levels, but at G.C.S.E. level - would he find the same ability, commitment and enthusiasm? I, sadly, think not and that is where we have gone wrong and whichever way this happens, we have to fund this. We have to find a way of funding this. Thank you.

6.4.7 Connétable A.S. Crowcroft of St. Helier:

I would urge the Council of Ministers to accept this amendment. **[Approbation]** We have a lot of business to get through and while horse-trading may work, and it worked brilliantly, I think, with Deputy Higgins' set of amendments where we have seen a number of key services supported by the Council of Ministers because a Back-Bencher brought them to this debate; here, what Deputy Tadier is asking for, is new money, an increase in the new money that is going to be put into language teaching. I thought the Minister for Education, Sport and Culture was put in a very difficult and potentially quite embarrassing position where he was saying on the one hand, and he sounded a bit like a Constable saying that he could not possibly find £250, although I would probably say £25, all important, and yet he can find it. Now, if he can find the money that is being asked for, let him spend it on the kind of issues that Deputy Hilton raised as being really important and let us have this new money, which is not a great deal, and spend it on, as the Constable of St. Mary so eloquently said, maintaining primary school children's love of languages, particularly of French, and particularly with a couple of weeks to go before the modern languages section of the Eisteddfod starts, let us put this new money into language teaching in primary schools.

6.4.8 Senator S.C. Ferguson:

The Connétable of St. Mary was concerned about producing money and finding the money. You know, without encouraging Members to go for extra spending, which I would object to very strongly, I think the Constable of St. Mary may take some comfort from the fact that the Corporate Management Board have already got a plan B. According to the minutes of the Corporate Management Board on, I think it was something like, 5th September, the Chief Executive and the Treasurer of the States advised the Board that they would like to begin looking at how contingency plans could be put in place, should amendments be made to the Medium-Term Financial Plan that required further savings to be allocated on to departments or on the overall cash limits for the 3-year plan. The Board were advised that a draft list of potential savings ideas would be drawn up and circulated to the Board asking for their feedback. I would suggest that, quite possibly, and he may wish to confirm this or not, the Minister for Education, Sport and Culture already has that list. I am not advocating spending more money. I think we need to be very cautious at this time and that £25,000 here, £25,000 there, soon adds up. At the moment, I would say "No" but, there is a plan B and perhaps the Minister would like to tell us if this is included in his plan B. Thank you.

6.4.9 The Connétable of St. John:

French is our native tongue. I can recall back in the 1970s when I first became a Centenier, when cases in court were still dealt with in French. Even this morning, we had a bilingual debate between the Minister for Treasury and Resources and the proposer of this amendment. For us to be lacking in thinking of our own inheritance, we inherited a language and we are arguing over £25,000 to keep our language. I think it is a disgrace. We are not looking after our children, or in my case my grandchildren, at such an early age. We have to do what is right and not fudge it, as has been suggested by the Minister for Education, Sport and Culture, by the Chief Minister. This is a standalone and I am quite happy to support Deputy Tadier on this, if nothing else, just to keep the language where it should be, in this Chamber. It was good to hear that this morning; I have not heard it as part of the debate even since I am back in the States. Prior to that, it was with Deputy Dorey or Senator Dorey, whichever. He would frequently stand up and address this Chamber in our national tongue. For Members to even consider rejecting this, I think you should be ashamed of yourself if you do. Thank you.

6.4.10 Connétable S.W. Rennard of St. Saviour:

I will be very brief. It is no secret that I am not in favour in of the pay rise for the Members. Maybe this money could be side-tracked and we could put it towards Deputy Tadier's proposition, of which I wholly support.

6.4.11 Senator P.M. Bailhache:

This kind of debate, in my view, shows the States at its worst. Almost everybody, I think, agrees with Deputy Tadier that language assistants should be employed in primary schools. Senator Ferguson shakes her head; she is one of the few, I believe. I think the vast majority of Members wish to see language assistants in the primary schools. But we disagree on the means. The Minister has said he is going to do it and I would have thought that that is good enough. It is good enough for me. If the Minister says we are going to have language assistants for the next 3 years, I believe him and I am prepared to accept his undertaking that that is the position. Like Deputy Tadier, I am a Francophone and a Francophile and I agree also with Deputy Southern, I do not think this goes far enough. I think we ought to be doing far more to encourage the teaching of French in our schools. For my part, I would like to see some work done to see whether there is a market for a primary school where all the tuition is delivered in the French language so that parents in the Island would have the opportunity of having their children educated bilingually. They would become bilingual because they would be taught in French and they would go back home and they would speak English, so they would have 2 languages. It is a marvellous facility for any child to have. I think that we are likely to continue this debate for some time. I regret that. I am going to oppose the amendment because I accept the undertaking of the Minister.

6.4.12 Deputy J.A. Martin:

It is funny how some people can stand up and say that they are right because they are right, and they cannot do this because they are right. The difference is that the Assistant Chief Minister does not believe the way that we should get to this amendment. He believes that Deputy Tadier has not gone far enough but he stands firm with the Council of Ministers that they will not budge on accepting this extra £25,000 on a 3-year plan that has so many noughts on the end, I do not even know where we are in this. It is absolutely: "I am not going to move" and we are literally in the playground here. They are not going to move and the Deputy is not going to move and who is going to suffer? We are going to sit here as the previous speaker said, we are all going to have our little two-penneth worth, and they are not going to move. The school I think the last speaker was talking about was probably one of the grant schools where they do have teaching assistants, they have proper French teaching. Before we start rowing about this £25,000, in the addendum we

voted £7 million. We cannot possibly cut the grants last year. Not talk: we could not possibly do it and I probably voted for that. I cannot remember which way I voted for it. But I am not saying that because we were pressurised, but these grant schools, the prep schools, they all start learning the languages at 3. Now, they have taken away from the primary schools. In fact, Debbie de Sousa's amendment said it should not. Unfortunately, they had already gone. Before this happened, they had already gone. So what we are doing today: unfortunately, we are prolonging the argument. I do not blame the Deputy behind me. I blame them sitting over there. The Council of Ministers will not move on a baseline: are we up in the billions for 3 years? And they will not move on it. Now, it is time to really wake up and ask the Council of Ministers. Not the Deputy; I see where he is coming from. I was not sure what the Minister for Education, Sport and Culture told me. I am worried he is going to try and get it off these poor people who are co-habiting with the people who are going to university. They will be chasing it. **[Laughter]** They will be still chasing them in whatever language you like, Sir, and he will not catch them. So I am very sorry; I stand by the Deputy. We increase it by £25,000 and it will not break the bank. Thank you.

6.4.13 The Deputy of St. Martin:

If I could start very briefly by talking in very general terms about this Medium-Term Financial Plan because I believe we are spending too much money. Because I believe we are spending too much money, I will not be supporting any of the amendments which propose extra expenditure. There were some very, very good schemes that were not funded by the Council of Ministers and the Treasury and Resources Department when this document was put together and I will quote just one. There was a proposal for invalid care allowance of £475,000. No funding available. The Council of Ministers have put together a plan here where they have prioritised things that need to be done and they have decided which things they cannot afford to be done. I personally feel they are already spending too much money and I have a huge difficulty in agreeing with anything which says we spend even more. I am already hugely disappointed with this debate. I am disappointed with Deputy Tadier for not taking the opportunity just now when it was offered to him. But I think I am even more disappointed with the Council of Ministers who have come forward with a proposal here whereas - as I have just said - they have not been able to find money for important things and yet they have given 3 concessions to Deputy Higgins and in the next breath, cannot find money for Deputy Tadier. It is very inconsistent and I am very disappointed. I will not be supporting this amendment unfortunately, because as Members will know, I am a great supporter of France, I am a great supporter of doing more business, and speaking more with the French, but I do not think, in the big, general scheme of things, I can support spending more and more and more money.

6.4.14 Senator I.J. Gorst:

I enjoy being a States Member and spending time in this Assembly. I think it is a fair reflection to say already this afternoon, I have been told that I should have got a Council of Ministers to present a plan with no amendments whatsoever. They should have been outlawed. I have also been told that, of course, I should just simply accept amendments as they come through and I hope you are seeing why I enjoy myself so much. There is perhaps - and perhaps it arises from the move to Ministerial government - a belief that Ministers are divorced from how their budget is spent and that they simply say we need to enhance or change a service and we get a little bit more money from somewhere without consequence. That is not true. A number of departments have what can only be described as large budgets: Social Security Department, the Health and Social Services Department, hundreds of millions of pounds. Then, of course, we have, following on behind, the Education Department with a budget of around £100 million. Yes, over the course of the last 2, and we are coming into the third year, those departments have been asked to make savings, but the reality of Ministerial life and running a department is that plans do change and the first port of call for a Minister who wishes to change a service or enhance a service, is to look to see whether it can

be done from within their existing budget. That is a reality and a fact of life, just as we would run our own household accounts.

[15:45]

Therefore, I do not believe that it is improper, that it is inappropriate, for Council of Minister Members to ask fellow Ministers to do the same when it comes to running or offering a service to our community. That is exactly what the Council of Ministers, and what I asked the Minister for Education, Sport and Culture, to do. He rightly says that it is not necessarily straightforward but he has worked with his department and said in this instance, he recognises the value of the service and will provide it within his existing £100 million budget and I believe that this Assembly should be holding Ministers to account to try and do that, to make sure that they are spending their money efficiently and effectively and getting good value for money. Deputy Tadier does not seem to want to live in that reality. He is concerned that we might be putting too much pressure upon the Minister to do that. I do not think he should be concerned. I believe that that is part of the pressure that should rightly be put upon them, and is part of how they should carry out their duties month in, month out; quarter in, quarter out when they are receiving the financial reports from the department and holding their accounting officers to account. The other reason why I do not think he needs to be unduly concerned is, of course, that last year, we know that there were large amounts of underspends across departments. That is good. That means that departments are operating, one would hope, efficiently and not spending up to the budgeted amount. After all, at the end of the day, the important thing is what we spend; not necessarily what we budget to spend. The Education Department itself had an under-spend of some £3.3 million last year that it carried forward. So I do not think that the Deputy needs to be concerned in that respect because as the Minister has reiterated, and I have said earlier in the day, he has heard that with regard to the value that this service will provide to students learning the French language ... of course, I had an interesting conversation with the Minister yesterday and said: "These children should be learning languages in the home" but that is another point. Sir, you very kindly and perhaps I was a little too hasty in rising to comment upon your ruling from the Chair, but I would maintain, and I am grateful for your ruling, and I think the Minister has given the undertaking that he will provide this service and he will find it from within his existing budget whether this amendment is carried or not. Therefore I am of the view that the first port of call should be to ask the Minister to ask his department to provide this service within his existing budget and not increase his budget by £25,000 per year for the next 3 years. The Deputy of St. Martin suggested that we have been a little bit inconsistent. I do not believe that we have. When we sat round the Council of Ministers' table on a number of times, Ministers have been asked by fellow Ministers to go away and to speak to the movers of amendments to see if that service could be provided in a different way. It was the provision of the service that was important while, at the same time, trying to maintain a balanced budget and that is exactly what I believe this Assembly should be asking for from Ministers. A number of other speakers with regard to this amendment have suggested that there are other pressures facing the Education, Sport and Culture Department which need to be addressed. I do not want to step on the toes too much of the Minister for Education, Sport and Culture but Members are well aware that the previous Minister opened a consultation on a draft paper looking at the future of education, and I believe that the Education, Sport and Culture Department will very shortly be in a position to publish the results of that consultation. I have no doubt that while perhaps not on the same scale as the reform that we needed to see in Health and Social Services, we will need to see reform across the education service and the publication of those responses will, I believe, be the start of that reform. There is no doubt, Deputy Hilton raised some good points about the pressures that some of our town primary schools are facing but we will need to consider those in the round and I am looking forward to considering, consulting and providing ways forward to enhance the education of Islanders into the future. I think I have probably said enough upon that future path but be in no

doubt, it is very much in our sights and it will be the next big project that this Council of Ministers is moving on to and that is the right approach. So, having said all that, and in the interests of brevity, not that one would have realised it from the length of this speech, I hope that the Deputy will withdraw his amendment because of the commitment that the Minister and the Council of Ministers have given to provide this service within the existing budget and I see nothing out of order with that whatsoever, so it is exactly as it should be. Thank you.

The Bailiff:

Does any Member wish to speak? Then I call upon Deputy Tadier to reply.

6.4.15 Deputy M. Tadier:

The first point I want to make is that I have done everything I can reasonably have done to avoid having this debate today including 2 meetings initially with the Minister and that was on Thursday. That was about 2 weeks after my paper had been lodged with the comments, with my report in it. I remind people that at that meeting I was not given assurances and I think validly the Minister's initial reaction was correct, that he would have trouble and he has confirmed that again today. He said: "I can just about do it but I will have trouble, but I can do it." Because of course, there is loads of pressure that is coming under the Minister from his colleagues on the Council of Ministers in the last few days saying: "Minister, go off and do this, for goodness sake, you have been dallying far too long with this. You are embarrassing us." But he would not be doing that unnecessarily. It is because there are definite pressures and they have been alluded to by Deputy Hilton and the Constable of St. Peter. The reason I have maintained this amendment, therefore, is not out of any form of stubbornness because I know that we have assurances that primary school teachers will have the assistance of language assistants for the next 3 years, but because the question of who pays is important. Now, I feel sorry for the Minister in one sense because it was his predecessor who was asked to make cuts and he came back with these cuts saying: "Okay, obviously there is a problem with making unilateral cuts across the board in every department when some departments have more fat on them than others" and the previous Minister, who has not spoken today - perhaps quite wisely - on this issue [Laughter], came back and said: "Okay, this is one of the cuts I had to make." Now, did the Council of Ministers at the time say: "Oh no. You cannot cut the language assistants. You cannot possibly cut that because it is far too important. We support that." No, they said: "Fine. You have made your cuts, now go away." So when money is asked to reinstate, this very modest sum is asked to come back, they tell the Minister: "That is fine. We agree with the principle" and how easy it is to agree with things in principle but when it is money that is involved, the whole story changes. So, I cannot have that reassurance that when... I know the Minister will go away, he will reinstate things in primary schools, but there will be a cost and it may well be that those who have been alluded to who get assistance for learning English because they are foreign language nationals, will not be getting that. It could be that another cut will be made. What is interesting with the comments of Deputy Hilton and the Constable of St. Peter, they are arguing my point for me, which is that they should be supporting this proposition because I am asking for £25,000 additional funding which the Minister can then go and spend on French language assistants, which will not eat into his budget, and the £25,000 that he would have to spend from within his own budget he can use to spend on extra tuition for those wanting to learn English at a primary school and English as foreign languages. He will not be able to use that money in Rouge Bouillon, for example, or in other schools if he does not have that money. He cannot do both. He is only doing one because he has come under duress to do it in the first place, so he certainly will not be doing anything over and above what has been done. So, we are giving the Minister more money, more power to his arm, to make the discretionary decisions and to look at the other areas which other people feel strongly about, and I completely agree, it is not an either/or choice. As I said in my opening speech, the teaching of science, maths, English for foreign speakers, is equally

important and it will give the Minister the scope to do that. If we do not give the Minister the extra £25,000 per year, he will have to make those tough decisions and it will be people coming back to me, pointing the finger saying: “The reason Rouge Bouillon, for example, does not have this tutor in English is your fault, Deputy Tadier. You made the mistake” and I am not willing to take that on board and that is why I lodged this amendment. If the Council of Ministers think this is worth doing, they should put their money where their mouth is. A £25,000 spread along 10 departments is a lot more negligible and manageable than £25,000 for one department, which already has competing urgent needs and which we have already heard, what I would call, some difficult words from the Minister. The Council of Ministers are essentially saying: “We support this but you pay for it.” The Minister on the other hand, and it is quite a valid point, is saying: “I am lukewarm on this. I am not too bothered. I have other competing funding needs to spend the money on” so why should he reasonably be seen to spend that money? This is pure politics gone mad. It is simply £25,000. The Council of Ministers are quite happy to stand by the cuts until somebody stands up and says: “This is a cut we should have never made in the first place.” We can pull money out of hats for a number of things. Individual Ministers, like the Minister for Education, Sport and Culture, do not have that opportunity but if, all of sudden, we want to find £1 million to give to finance, we can find £1 million additional to give to finance. I am not saying that is the wrong decision, but we can do that. We can find a potential £8 million to give to Plémont and we can sell other States property in order to do that because one of the Council of Ministers has made that his point of stance, for standing on, and as long as it is the right person who is coming forward: “We can find £8 million for you, Senator, because you stood on that in election and because you are one of our club, we will find that £8 million and if we have not got it, we will sell some of the Crown Jewels in St. Helier.” Now, I am not saying that is wrong. I support Plémont and I know there are a lot of strong feelings but it cannot be one argument for one and one for the other, especially when the amounts involved are so negligible. So, I will leave it there. I think I have made the case. It is unfortunate that this has focused on where the money is coming from rather than the underlying principle but in one sense, that is good. I think we are all behind this: the principle of language learning. More needs to be done and I will continue to offer my support to the Education Department to modernise and make sure we have the right policies in place, but I would ask the Assembly to do what I think is common sense and if at the end of the day, the Minister for Education, Sport and Culture does have some under-spends, then certainly that is the point at which to reclaim them into the centralised pot, not at a time when we are not sure what is going to be left on the table.

The Bailiff:

Yes, the appel is called for then in relation to the amendment of Deputy Tadier. I invite Members to return to their seats and the Greffier will open the voting.

POUR: 20		CONTRE: 26		ABSTAIN: 0
Connétable of St. Helier		Senator P.F. Routier		
Connétable of Grouville		Senator S.C. Ferguson		
Connétable of St. Lawrence		Senator A.J.H. Maclean		
Connétable of St. Mary		Senator B.I. Le Marquand		
Connétable of St. John		Senator F. du H. Le Gresley		
Connétable of St. Saviour		Senator I.J. Gorst		
Deputy R.G. Le Hérisier (S)		Senator L.J. Farnham		
Deputy J.A. Martin (H)		Senator P.M. Bailhache		
Deputy G.P. Southern (H)		Connétable of Trinity		
Deputy of Grouville		Connétable of St. Clement		
Deputy J.A.N. Le Fondré (L)		Connétable of St. Peter		
Deputy S. Pitman (H)		Connétable of St. Ouen		

Deputy M. Tadier (B)		Connétable of St. Martin		
Deputy T.A. Vallois (S)		Deputy R.C. Duhamel (S)		
Deputy M.R. Higgins (H)		Deputy of St. Ouen		
Deputy J.M. Maçon (S)		Deputy J.A. Hilton (H)		
Deputy J.H. Young (B)		Deputy of Trinity		
Deputy S.J. Pinel (C)		Deputy S.S.P.A. Power (B)		
Deputy of St. Mary		Deputy E.J. Noel (L)		
Deputy R.J. Rondel (H)		Deputy A.K.F. Green (H)		
		Deputy G.C.L. Baudains (C)		
		Deputy of St. John		
		Deputy J.P.G. Baker (H)		
		Deputy of St. Martin		
		Deputy R.G. Bryans (H)		
		Deputy of St. Peter		

6.5 Medium-Term Financial Plan 2013 – 2015 (P.69/2012): second amendment (P.69/2012 Amd.(2))

The Bailiff:

Very well, then we come next to amendment number 2, lodged by Deputy Young, and I will ask the Greffier to read the amendment.

The Deputy Greffier of the States:

1. Page 2, paragraph (b) - after the words “as set out in Summary Table A” insert the words - “except that the total amount of States net revenue expenditure shall be increased by £300,000 in each of the years 2013 and 2014 in order to provide additional funding for the 3 environmental projects identified in paragraph 7 of the report accompanying the amendment of Deputy J.H. Young of St. Brelade lodged ‘au Greffe’ on 22nd October 2012.” 2. Page 2, paragraph (c)(i) - after the words “Summary Table B” insert the words - “except that the net revenue expenditure of the Planning and Environment Department shall be increased by £300,000 in each of the years 2013 and 2014 in order to provide additional funding for the 3 environmental projects identified in paragraph 7 of the report accompanying the amendment of Deputy J.H. Young of St. Brelade, lodged ‘au Greffe’ on 22nd October 2012, namely Countryside Infrastructure; Island Plan 2011 Implementation and Strengthening the Protection and Regulation of the Island’s Environment.”

[16:00]

Senator P.F.C. Ozouf:

The Council of Ministers has identified existing resources in order to deal with this which hopefully is going to mean that the proposer of the amendment can make it and withdraw it, having got the undertakings from the Minister for Social Security whose budget it is.

6.5.1 Deputy J.H. Young:

At risk of emptying the House, I am sorry to disappoint the Minister, but I have in writing my proposition... I am obviously not used to cleverly drafting these propositions to enable me to cherry-pick which ones to proceed with. It is a combined proposition which is *en bloc*. It does not lend itself to a kind of horse-trading deal. But nonetheless I will proceed to summarise my case. Today we are setting spending limits which are going to last right through to the end of this Council of Ministers and the first year of the next. Those are strategic decisions that will determine the level of services that we have. The Corporate Services Scrutiny Report makes it absolutely plain. Once we set those levels they cannot be changed. We are having to deal with issues of national

emergency and so on to change it. So this is our chance to get it right. The whole point of long-term planning is it is essential that we balance out the different areas of government and get proper recognition to the importance of long-term policies and protection and conserving environment. Now, this amendment I brought, the reasons for it are quite clear, for all of you I am sure have read the Scrutiny Panel Report on the environment budget. You will see the reasons very clearly there. My amendment is designed to enable the Minister to meet his promises that he made to this House when we elected him. I 100 per cent support him but he needs the resources to do the job. The environment will never rank highly when it is compared to Health, Education, Social Security; all those immediate objectives. But any doubts about the importance, just read the statement of objectives in the annex to the plan. Nobody would challenge the importance of those things. For the present, environmental spending receive an allocation of less than 1 per cent: 0.8 per cent. So less than one penny of every pound we spend goes into looking after and conserving our environment which shapes all of us every day. Now my amendment seems to add up to £300,000; I say "up to" because these are spending limits. There is a Ministerial spending limit for each of the 2 years only: 2013/14 for reasons I will explain. In my view it is a drop in the ocean. The amendment will move the Minister's limit from £5.6 million to £5.9 million. That compares, for example, with all the non-Ministerial government departments who spend £27 million annually and there is no M.T.F.P. I looked for an M.T.F. report on the non-Ministerial departments; looked in vain. There is Scrutiny there. Where is that? Yet quite rightly we are scrutinising Ministers. We have done that and this is the reasons that have come out of the Scrutiny report. The Minister told us he had 3 priority proposals for environmental spending. My report explains them a little bit more. They are priorities that the Council of Ministers found unpersuasive. Priorities which they rejected and the Minister is required to do without. The first of these proposals is for improvements to our countryside management and coastal footpaths where standards of maintenance have declined for long-term resource constraints and potential dangers to users. We have incidents of numbers of reports of damage, and those of you who walk the coastal paths will know you only need to go on a shaky step or stair from one of the old railway sleepers and it moves, you have a problem. So safety issues there. Of course we exploit this, quite rightly. Green tourism is hugely important. So we cannot be complacent in that area. The Minister wanted to do more; he says he cannot. Second, implementing the Island Plan. Just over a year ago the States decided to approve this plan to deliver lots of different policy requirements: village plans in all the Parishes to deal with new housing, masterplans for the generation of town. My own district, St. Lawrence and St. Brelade's Bay, where we are in danger of becoming Costa St. Brelade if we do not have a good development plan. **[Laughter]** We have to have a framework to shape this. I think there has been a policy since 1968 that there would be a development plan for St. Brelade; we do not have it. Supplementary Planning Guidance required; there is a long list. I meant to add them all up, but there are dozens. Policy reviews such as delivering affordable homes. I see faces being made of it, but this is what this work is about. I am going to make my case. Thirdly, environmental monitoring in marine pollution. We need to do more, whether or not pollution occurs from sewage outfalls, surface water system overflows, natural sources such as Brent geese or human intervention, farming or dog waste even. Now there are lots of people who earn a living from the south-east coast aquaculture industry and we need to do much more in marine monitoring to ensure that our sea water quality is maintained high, particularly in the intertidal areas. We know this means scientific research is required on tidal flows to help us inform millions of pounds of investments on our future sewage infrastructure. We do not have that science. The Minister tells us he cannot do it. I was going to read you the transcript but I think you can look it up for yourself; on page 14 of the Scrutiny hearing of 23rd July, the Minister says he cannot properly fulfil these responsibilities. The Minister was highly critical of the Council of Ministers for giving low priority to these projects. I do not know how these things happen; I am too naïve in these matters. To me, I prefer to deal openly. But I am in a different situation I think to other Members bringing

amendments. Here we have the Minister saying he needs these things. So my amendment was designed to bring a debate and enable us to do that. The point is this: they were all capable; they are all capable of being 100 per cent self-funding. From what was proposed - proposed originally by the previous Minister - of increasing planning charges to 100 per cent of costs in 2003, and they were put forward to that basis. But all of these monies would have been equivalent to and would have been fully paid for by additional income; i.e. those monies would be ring-fenced for environmental purposes. That is what the Minister told us. The plan only allows him to spend any excess. It turns out the first £300,000, that has to go back to the pot. The excess he can then spend on environmental work. Now that of course removes the opportunity that the Minister needs and I thought this was the idea of the M.T.F. Plan, that Ministers are able to flexibly run their services within the total pots of money during their period of office. Of course, when the Chief Minister said a few minutes ago, the first call for Ministers is their own budget which is it. That £300,000 of income is in there. So if we have to have charges, my submission is that they should be rethought and used for services. Of course, there are plenty of precedents for this, particularly in the environmental area and of course we have previous States decisions. I did a little bit of research. When they were brought in on 24th May 1994 the States agreed to the principle of introducing planning charges only on the condition that the original revenue raised was used for environmental purposes. Legislation was introduced and the charges came on board for 1997, at a modest level. 21st November 2002, confirmed the policy and agreed to allow planning charges to increase. What for? To increase environmental spending on services that had to be done. Since then of course the charges have crept up a little but unfortunately service levels have not, and what we are seeing is extended targets, 13 week targets instead of 4 weeks, levels of criticism and so on. I think this is indicative. I think this is just a mistake; I really like to think that the Council of Ministers perhaps did not look back on the record, that there was no discussion about this, because clearly a proposal went forward to raise new money by charges counterbalanced by important areas of spend. Now this is not special pleading because even if you approve this amendment, the Department of the Environment will still deliver the full Comprehensive Spending Review savings for the period 2011 to 2013 of £1 billion. What we have, of course, is the £300,000 which is over and above that. But there is definitely the commitment to meeting that Comprehensive Spending Review. Of course, when I look back I thought, well what did other departments do about their user pays income that was forecast in 2012? I looked in the Business Plan and I find 3 departments, one abandoned it completely but still got money, the other 2 halved them and still got money. So here we have one department not just fulfils what it said but exceeded it, but then finds priority for spending? No. So even if my amendment is approved the Minister for Planning and Environment's net expenditure for 2013 will go up? No; it will reduce compared to 2012; it will be 8 per cent less. I am not standing here asking for the budget to go up from 2012; I am saying can it not go down by 13 per cent? But can it go down by 8 per cent? I believe as well, I said why have I not altered 2015? The plan makes no opportunity to take the savings from the horrendously expensive Royal Court bill system which the Minister has pledged to bring a Green Paper which will allow him to get rid of this and replace it with a much more efficient cost effective system by 2015. Yet the plan factors nothing in for that. There are very substantial savings which can be used to deal with environmental spending or whatever the States decide at that point. In closing, I have been very critical. I would like to thank the Council of Ministers for their comments. **[Laughter]** I am very grateful for the importance of environmental work and their commitment to the Back to Work scheme and also provision of additional £50,000 to provide for non-staff costs of the work on coastal paths. Similarly, their recognition of the need for funding to enable scientific studies of marine and aquaculture industries and the creation of a fund, a substantial one. This is all good news. What I really am struggling with is how come these things come late in the day? When I look at the pile of papers that we have all had with the hours and months the Scrutiny Panels are spending on this, the amount of work they have all done... I do not know when the Council of Ministers started but I

assume the beginning of the year, and it is left within a couple of days of this discussion for a Back-Bench Member like me to put in an amendment to get a decent discussion, and lo and behold the thing changes around your eyes. So I find I much more prefer to deal openly, which is why I have put this on the table for Members and I believe that the change I have asked for affects the States spending by a miniscule amount. They claim it will put the C.O.M. (Council of Ministers) into deficit. It is not. There is an error there because their comments say it will put the States into deficit in 2015. It will not because of course I am not changing 2015. I much prefer to have openness and transparency. If I was in a situation here where I had done my proposition as Deputy Higgins cleverly in separate parts, I probably would have amended or withdrawn parts of it, particularly the part on the scientific work for the marine park because that seems to be a very, very substantial commitment which I frankly could not ignore. I hope still, even if this proposition is lost, that somehow or other the Ministers honour their commitments to do that because that is too important to leave. I think in view of that I am going to stick to the proposition and I am going to ask the States to decide on it.

The Bailiff:

Is the amendment seconded? **[Seconded]** Does any Member wish to speak?

6.5.2 Senator F. du H. Le Gresley:

I like Deputy Young. I think he has been a breath of fresh air in the Assembly and he has made some great speeches. Today he was fired up and quite rightly so, because the environment is very important not only to the Minister and the Chairman of the Environment Scrutiny Panel but to all of us. Therefore it is a shame that I am having to stand here and say that the Council of Ministers cannot support his amendment. We have gone to great lengths to try and assist the Deputy with his amendment. The Deputy reminds me of the cricket scenario where the Minister went in to bat first and he got bowled out in the sixth over and now the Chairman of the Scrutiny Panel is coming in at first wicket down.

[16:15]

Unfortunately he has not brought the rest of the team with him because really this amendment would have had much more impact on this Assembly if the other members of the Scrutiny Panel had signed up to it and this was an amendment from the Environment Scrutiny Panel. So I think he probably missed a trick there. However, I am really trying to put the scenario that the money that we have offered to assist with some of the 3 priorities that Deputy Young has in his amendment are achievable through money that we have already bid for and hopefully will successfully receive in the Medium-Term Financial Plan for our Back to Work programme. Members need to be aware that we have bid for significant amounts of money for the environmental schemes; a total of £1.4 million over the life of the Medium-Term Financial Plan and we have assured Deputy Young in a private meeting with himself and the Chief Officer of Planning that we will work with the Department of the Environment to develop schemes. We already have one pilot scheme running at the moment to do coastal path renovation and also any environment work in the new coastal National Park. So we have said we will use that money specifically really for these types of employment projects; albeit they have to fit in with the model of giving people work experience and as I have indicated before, I believe that some of that should be paid work so as to get people ready for work in the commercial sector and for jobs. So we are very much keen to work with the Department of the Environment and the Department for Transport and Technical services. Therefore the £100,000 that the Deputy is seeking over the 2 years 2013/14 will really be available through the Back to Work employment projects. Insofar as the £100,000 that he is seeking for the implementation of the Island Plan and as he states in his amendment report, masterplans, Parish and local development plans, I am assured by the Treasurer and by the Minister for Treasury and

Resources that the central planning votes can be used for this purpose. Therefore there is really no need to add any more money to the budget of the Department for the Environment. The last matter is the water and conservation of the marine and water pollution issues. I think the Deputy has already intimated that the proposal to have a £200,000 fund for research and to spend money on these issues is very, very important. We have identified money from underspends from my department, and my department is also paying by the way for the Island Plan. So you will be pleased that we do spread our money around when we do not use it. We have identified that we would set up a fund for research and development and that achieved the 2 years of spending that the Deputy is seeking. So I do feel that we have moved a long way. I said to him when he left the meeting: "I think we have done very well", but perhaps he did not believe me. I think, in summary, that the Scrutiny Panel's report on the Medium-Term Financial Plan really supported the Minister's stance and quite rightly so. I mean, the Minister had his bids and unfortunately due to prioritisation they fell out, but it was certainly considered seriously by the Council of Ministers. I think we have offered a way forward to support the 3 issues that Deputy Young has proposed in his amendment and therefore I would hope he might withdraw, but if he wants to continue the debate I just hope that the vote will not go against him, and we will leave it at that.

6.5.3 Deputy R.C. Duhamel:

I was going to ask Deputy Young if he wanted to come and work for the department. **[Laughter]** But I gather we would not be able to pay him very much unless we win this vote. On the basis that we all agree money does not grow on trees, although for environmental projects we would expect it to, and a bird in the hand is worth 2 in the bush, all I can say is that in order to play the corporate role - and I think Planning and Environment have played more than the corporate role in giving up higher than expected comprehensive saving reviews - we have not sat back and we are offering more savings into the future. We are trying to do even more as the States give us more and more jobs to do. But there comes a point in any brief where it becomes very difficult in order to do these new things that we are being asked to undertake. But I think in order not to prolong the debate, the old adage about a bird in the hand being worth 2 in the bush must be one that we should accept. I think in order to progress things I would urge Deputy Young to accept what has been put forward by the Council of Ministers but to lay down a marker in the sand to say that if I am here in 2 years, or whatever coming back, then there are going to have to be more sensible discussions that take place to put our environmental conscience higher up the agenda. Certainly to find other ways, perhaps through environmental taxes properly ring-fenced for the delivery of these behavioural changes that we are all telling everybody that we want, that we are going to have to properly consider. So as I say, if Deputy Young would like to withdraw I think we can move on to the next item with the assurance from the Council of Ministers that we do not go away empty-handed. There are some monies available to begin to do the things that we have been asked to do and if indeed those monies are not enough, as I suspect they will not be, then we will be back.

The Bailiff:

Does any other Member wish to speak? Deputy, it is your amendment so you will get a chance again unless anyone else wishes to speak. Very well. I call upon you to reply.

Deputy J.H. Young:

Having had my say...

The Bailiff:

One moment. Deputy, you are just, by the skin of your teeth.

6.5.4 Deputy G.P. Southern:

By the twitch of my finger, I think it was. Just briefly, I just want to reinforce the fact that by and large this Assembly has paid what I can only call lip service to the environment for years. Time and time again we hear the sorts of tales we have heard today whereby that particular Minister now or in the past, that committee, has taken sacrifice after sacrifice and has fallen out of many prioritisation mechanisms in the past. When we talk about priorities and the debate that goes on when Ministers try and prioritise, one gets the impression that it is all somehow wonderfully rational. My experience - and I do not know if it is still the same as it was in the old days - of being invited to witness the prioritisation process going on, was very stark and quite shocking. Here we were, gathered all in a great big room sitting down and listening to the list of priorities and what the then Presidents of Committees had arrived at in their pecking order, when a President swept into the room looking very determined and in a sort of almost swashbuckling way, not quite Khrushchev, but I think he hit the table, thumped the table: "And what about the £3.5 million I need for my coastal defences?" he said. All of a sudden the whole agenda was shifted. All of a sudden we had to find a way of finding an extra £3.5 million from one budget or another, and what it boiled down to basically was strength of will and personality. Somebody just said on the back row, no names, no pack drill "and bullying". That is the reality of the way these things were handled in the past and I suspect by and large are still handled in that sort of way. That President was then President of Public Services, Senator Ozouf, and he won his day; he won the day. Not necessarily with strength of argument but with strength of personality and character. He was not going to be backed off, and we spent a morning scrambling around trying to find money from this department and that department. So when Ministers say it has been subject to a full prioritisation programme and it did not make the list, do not imagine for one minute that that necessarily is a rational and sane way of approaching things. It may well be that it has fallen off the list because the Minister was not, on the day, quite strong enough to hold on to it and insist that somebody else took some cuts rather than his particular department. It is direct opposition, my department versus yours, whether we like it or not. That is the reality of the way it happens. So I think I am tempted to support Deputy Young's proposition because I think it does focus in the right area and this compromise fudge that has been arrived at, as he says at the last minute and only in response to his proposition, may well not deliver to the same degree as he wishes.

6.5.5 Deputy J.H. Young:

I thank the Minister for Social Security and the Minister for Planning and Environment and Deputy Southern for their comments. Having listened very carefully to what the Ministers have said and had my say, I am therefore going to ask the House if I can withdraw my amendment in order to expedite the business, but in doing so I am relying obviously on the commitments that have been made and I shall be watching this space very, very carefully in the next 2 years to ensure that those commitments can be implemented within the Medium-Term Plan. So I ask if I may, leave to withdraw. [Approbation]

The Bailiff:

As the Deputy says, he needs the leave of the House to withdraw at this stage. All those in favour of giving him leave please stand. Those not giving him leave. He has leave to withdraw.

Senator P.F.C. Ozouf:

Let me thank Deputy Young for that reasonable approach.

6.6 Medium-Term Financial Plan 2013 - 2015 (P.69/2012): fourth amendment (P.69/2012 Amd.(4))

The Bailiff:

Very well. The next matter has been withdrawn and therefore we come to the fourth amendment lodged by Deputy Le Hérissier and I will ask the Greffier to read the amendment.

The Deputy Greffier of the States:

1. Page 2, paragraph (b) - after the words “as set out in Summary Table A” insert the words “except that the total amount of States net revenue expenditure shall be increased by £500,000 in each of the years 2013 to 2015 to enable additional grants to be made available to third sector organizations.” 2. Page 2, paragraph (c)(i) - after the words “Summary Table B” insert the words “except that the net revenue expenditure of the Treasury and Resources Department shall be increased by £500,000 in each of the years 2013 to 2015 to enable additional grants to be made available to third sector organizations through appropriate new allocation procedures established as appropriate between the Minister for Treasury and Resources and the Association of Jersey Charities and other bodies representing such organizations.”

The Bailiff:

Is the Council still opposing this one, Senator?

Senator P.F.C. Ozouf:

Yes, sir.

6.6.1 Deputy R.G. Le Hérissier:

Into the Valley of Hope rode the solitary rider now; they are all leaving the cavalry charge. We hear many times in this House the virtues of the... well, I got it wrong. I am not politically correct of the voluntary and community sector; I kept calling it the third sector.

[16:30]

We hear many times its virtues extolled; quite rightly. Jersey in a way, certainly in government, runs as a 2-legged animal, so to speak, the State sector and the voluntary sector; and we know without the voluntary sector much of what we offer through the States will collapse. Not only that, which is in a way the purpose of my amendment, much of what we offer outside the States would collapse. The irony is if you read the comments from the Council of Ministers, methinks they doth protest too much, because in fact the comments are in many respects supportive of my stand. I would suggest that they are portraying this amendment as something it is not. For example, they talk of extending the funding for voluntary organisations based on a rehashing of the lottery, which is emerging from the dark days of summer, so to speak. They talk of an extension of funding; of that there is no guarantee. They talk as if there is going to be a need for a new form of funding mechanism but we already have one; we have the Association of Jersey Charities and in the sports' sector, not the same model, but we do have the Sports Advisory Council. Admittedly not the same model and I will come back to that. They also suggest that because this is outside the M.T.F.P., the governance arrangement could well be outside the M.T.F.P. It is not permissible. But in fact we often put money into organisations where we certainly expect good governance; we certainly expect increasingly and rightly stronger financial controls. But that does not mean it has to be done through the M.T.F.P. It is done in other ways. They also talk as if a lot of this work is being done by the kind of funding offered by the Health and Social Services Department. The Minister in presenting her strategy at the last session said: “We are open to ideas as long as people sign up to a service level agreement.” There was that little caveat thrown in. Now, the issue is of course a lot of the ideas that you expect to come from the voluntary and community sector are ideas that often initially are not acceptable to government, or not known to government or not thought of by government. That is what we look to them to do. We look to them to generate new ideas, to go where others have not gone. Brighter Futures is a classic example; those of you who went to their presentation, I know most people were very moved by what they heard and they were very

convinced by the very sound reasoning of the presentation. Now that is a body. There have been other bodies and I pay a tribute for example to the work of Headway and we are lucky that we have one of the pioneers in this Assembly. The mental health charities have done excellent work. This is work that has been done outside the States, has often then fallen into the tender embrace of the States, but it was work that we would not necessarily have approved at the beginning, we were so preoccupied with our funding, *et cetera*. There is a real danger that the M.T.F.P. (and I did support it and I still do) is going to become a straitjacket; a 3-year straitjacket and as social needs change in that period, as the recession which is by no means finished still leads to more social demands on the system, as that carries on we have to be aware that we cannot look at everything through the eyes of a straitjacket or through the means of a straitjacket; that we have to give some flexibility. The whole intention of this was to keep that flexibility and to build on the strength of bodies like the Association of Jersey Charities. So for the paper of the Council of Ministers to say that we are going to develop something outside the Association of Jersey Charities, for example, I think what they meant to say was: "We are going to build on its strengths." They are also making a terribly optimistic prediction that the revenues of the Lottery Fund, for example, will increase and that they will by implication solve these new emerging needs. If I can give any hope to the Deputy of St. Martin who thought he was coming to a firm cutback debate and that there would be no ditherers and no bleeding hearts and no people who were trying to breach that debate, I would put to him that the voluntary and community sector as it is now officially called, that that sector is often enormous value for money. They lead us into areas; they administer their activities in a very frugal way and they often - not all the time - but they often do so through very, very slim management structures. So, let him I hope consider this is a way in fact it could be argued of saving the State and the States money, that there are bodies out there prepared to do a lot of work. Also we should never make the mistake, and that is the mistake we will make if we accept the line: "Oh, go to Health and Social Services; yes, there will be a S.L.A. (Service Level Agreement) and if it fits within that strategy as the Minister so rightly said last week, they will look at it." What about the people who do not fit within their strategy? What about the people who are trying to do different things, new things? What about the people who are doing fairly small things which at the moment do not appear on the radar of H.S.S. (Health and Social Services) or the Sports Advisory Council or whatever, but still are doing activities that need support? I mention one, for example: there was a very, very encouraging report at the back of the *J.E.P. (Jersey Evening Post)* about the emergence of a junior boxing club, for example. This has come out very, very recently. A lot of it is the enthusiasm of one or 2 individuals and it quite clearly, if you read that report, has found a need which nobody in a sense knew about. It has appealed to people on the street, it has given children something to do, it has given them mentoring not only in the boxing sense but in the broader personal sense and it is an incredible activity which probably would not appear on the radar. So those are the sorts of activities that I think we must never lose sight of. We must not put a straitjacket around the Medium-Term Financial Plan. We could easily tell people for the kind of arguments that Deputy Tadier mentioned when he said: "We are going to find massive sums of money for other things apparently." We could easily tell people: "We have put a little bit of give in the system. We have put some flexibility" and in terms of the kind of support the Association of Jersey Charities gives we want that to continue. Not only did the lottery have a bad summer and it may continue despite the fact that I know there are steps. But we are worried that increasingly these bodies are having to spend an awful lot of their energies on fundraising; not on their purpose in life but on fundraising. Often it is not big sums of money we are talking about and I look at the list of grants given by the Association of Jersey Charities and for 39 child play scheme places for Friends of the Bridge were given £5,000. Triumph over Phobia for training and various running costs, £5,000. Duke of Edinburgh Award, which is in a sense one of our State functions towards an assistant youth worker, £10,000. The Grace Trust, £20,000 for grocery distribution. Les Amis, £20,000 for a wheelchair vehicle. But a sum that has already this year added to over £400,000 and it exceeds the lottery

grant which they have received. Just to give you an idea of the demand that is bubbling out there, and probably is being suppressed because responsible charity managers are saying: "I know things are tough. I know all the bodies involved like Health, like the Association and so forth, they are all being a lot tougher in how they give out money" and I know the Association, for example, wishes more and more to get away from revenue funding and to get into new initiative funding and so forth. So I would imagine we are talking about suppressed demand. That is why, and Deputy Southern mentioned that, this process as well as for other reasons to which he alluded, is not scientific. I have not gone out and added little sums of money from 300 charity managers and said: "Oh, those sums add up to £500,000 blah, blah, blah." I have not gone out and done that because it is simply not possible. I have taken a ball park figure; I have looked at how the Association dispenses its funds as some kind of indication of the demand that is there and the money they are given. So, to sum up, we need to keep flexibility in the M.T.F.P. We have put ourselves quite deliberately into a financial straitjacket. But to go outside the straitjacket I would tell the Deputy of St. Martin is not to be irresponsible as long as you go outside the straitjacket with proper governance, with proper control of the way the monies are spent and so forth. It is not being irresponsible. We are dealing with bodies here, while undoubtedly there have been issues with some charities, but for the most part we are dealing with people who know that the purpose is to deliver a service and they will do it in a slimmed-down a way as possible. They in fact are the heroes of the value for money; this is the irony of the situation. These people are heroes of value for money even though we are the ones who talk about it a lot. Lastly, as I have mentioned, this enables us to deal with emerging... and I do not want to get into Donald Rumsfeld's known and unknowns and unknown unknowns, but this enables us to deal with unknown needs as well as emerging needs. We are at a very difficult position as a society. We have people here who do a fantastic amount. We know we cannot survive as a society without the work that these bodies do and I am not asking that money be splashed around, that it be given out irresponsibly. There are structures already in place that are working effectively and that is where I think the Council has been a little naughty in not giving enough emphasis to the way that these structures are working and the fact that with a little bit of amendment perhaps, a little bit of extension, they can well carry the burden of dispensing funds. The idea that this money has to be part of a certain bureaucratic structure for it to be allocated I think is leading us up the garden path, quite frankly. On the basis I move the amendment.

The Bailiff:

Is the amendment seconded? **[Seconded]**

6.6.2 Deputy A.K.F. Green of St. Helier:

It may surprise the Assembly that as a chairman of a national charity and founder of 2 charities in Jersey and being heavily involved in the charitable sector, I will not be supporting this amendment. It is well meaning, but it is not the right way to do things. But before I say why, I would like to, and I am sure the Assembly would join me in acknowledging the work that many charities do, and in particular say thank you to the committee of the Association of Jersey Charities who do a sterling job in vetting bids for funds. **[Approbation]** So why would I not want to support giving the Association of Jersey Charities another £500,000? That is because it is not targeted. Most charities are used to making their case, putting forward some sort of business plan and some likely outcomes, whether it be a service level agreement or whether it just be a plan to make a bid to the Association of Jersey Charities. We give the reasons why we want that money, what we hope to achieve, what the outcomes will look like. It is a pity the Deputy did not; I took the time to look at the accounts for the Association of Jersey Charities going back to 2008 to 2012. When I say I took the time to look at the accounts, I looked at what is the money left in April every year in what is called unrestricted funding. So this is funding that is available for use. There may be more funding

sitting in the bank, but it has been promised or allocated but still sitting in the bank. In April 2008 the Association of Jersey Charities closed its account £400,000. In 2009, £500,000; 2010, £2,900,000; 2011, £2,700,000 and 2012, just over £3 million. So they are doing a sterling job. There are £3 million there to be bid for, plus extra money coming in from the lottery, and I can think of a lot more targeted use we can put £500,000 to. **[Approbation]** I ask the Deputy to withdraw this. I know it is well-intentioned, but it is not properly thought out.

[16:45]

Senator F. du H. Le Gresley:

I merely rise to just clarify something that the last speaker has said because I was a former chairman of the Association of Jersey Charities and the reason that that bank balance has shot up is because of one substantial donation and there are restrictions on how the money can be distributed. I just think I ought to mention that.

Deputy A.K.F. Green:

Just to clarify it, when I quote those figures, those figures are in the accounts as “unrestricted funds”.

6.6.3 Senator P.F. Routier:

I suppose firstly I should declare that I am a trustee of a charity and also I am the president of the Sports Council. I found that when I read this proposition I was very disappointed that it was not very specific about how the money would be spent. If it had been for a particular sport or a particular charity, there may have been something to hold on to, to be able to support it. I am unable to support it as it stands. One thing that I would like to pick up on is that the Deputy talks about the 3-year straitjacket that some of the voluntary organisations will find themselves in. From my understanding and from the discussions I have had with a lot of the voluntary organisations, they are very pleased they were going to have 3-year funding for the future because they will no longer have to have the annual battle that they have with their funders to find a way forward. I have to say that with the 3-year funding mechanism which we are approving hopefully over these next few days, we will now be able to give some certainty to the voluntary organisations. I just make that point and also, that of the future of the lottery funding. I think with the recent amount of money that has been announced was the success of the summer lottery, not necessarily the individual lottery which was a problem but certainly the scratch cards which have been in place now for a short while. They have been very successful and it looks very promising that the future of the lottery proceeds will be on the up rather than the down. I cannot support this proposition.

The Bailiff:

Does anyone wish to speak? Then, I invite Deputy Le Hérissier to reply.

6.6.4 Deputy R.G. Le Hérissier:

I would like to thank the members of the Council of Ministers for their very transparent enthusiasm. Yes, I am like Senator Le Gresley. This was the feedback I had. I find it very hard to believe that as eminent a body, serviced as it is by a very good treasurer and people on the finance side, would deliberately sit on a big sum of money while screaming about other pressures. They know, for the very reason that Deputy Green has said, that this is a public fact and I was certainly of the informed view that they were restricted in how they could use this donation. In a way, that is not the issue. The fact that they have had a fortuitous donation, irrespective of the conditions that surround that donation, is not the issue. The issue is that we need to give flexibility and that is where I come to Senator Routier’s view. Why did I not say this charity should get this; this sports body should get this? The whole purpose of the grant making structure for bodies that do not get into the tender

embrace of Health and Social Services is that these people think up new ideas. They try through fundraising, certainly initially, to put their money where their mouth is and they implement these ideas. These ideas often grow; they are often really worth extending and then, they come to a body in order to seek money. That is how it is done. They do not say at the beginning of the year: “These are my objectives; this is my mission statement”, *et cetera*. There is a danger that people like Senator Routier have been a little mesmerised by all the management speak that surrounds the M.T.F.P. but the end result is still that excellent initiatives are undertaken and people are prepared to push the boat out. However, we need to be there to help them. This idea that I have not come up with a list, there was never any intention of coming up with a list and these things have grown sometimes like topsy. They have evolved and they are subject to Scrutiny when they come to fund granting bodies. That is when the Scrutiny is applied and then there may come a stage when the thing really takes off. Brighter Futures is a classic case and it makes more sense to be involved with Health and Social Services, or there may be people who say: “No, we do not want that involvement; we do not want that control but we are prepared without being an extension of a government department to subject ourselves to financial controls.” I take the Senator’s point about 3-year certainty but we must remember, and I want to make this point yet again, voluntary and community agencies are not simply outsourcing agencies for government. There is a real danger that they are all ending up as this. What if an agency falls out with Health and Social Services? What if there is some kind of dispute; that there are, as often is the case, 2 strong personalities involved and the Agency wishes to go its own way and has a viable programme but for some reason has fallen out? We have seen the case recently. We do not know all the ins and outs but those cases do occur and the fact remains the Agency is still doing good work but does not wish to be in the tender embrace of Health and Social Services. Therefore, I think there are ample reasons to keep this fund. I think there will be proper controls and I am very, very dubious of the assertion that the Association, for example - and there could be other bodies involved and there could be a reformed association - is sitting on vast sums of money which it refuses to dispense. Instead it is running to people like Government or other sponsors. I really find that hard to believe and I move and ask for the appel.

The Bailiff:

The appel is asked for then in relation to the amendment of Deputy Le Hérisier. I invite Members to return to their seats and the Greffier will open the voting.

POUR: 6		CONTRE: 37		ABSTAIN: 0
Senator A. Breckon		Senator P.F. Routier		
Deputy R.G. Le Hérisier (S)		Senator P.F.C. Ozouf		
Deputy G.P. Southern (H)		Senator S.C. Ferguson		
Deputy S. Pitman (H)		Senator A.J.H. Maclean		
Deputy M.R. Higgins (H)		Senator B.I. Le Marquand		
Deputy R.G. Bryans (H)		Senator F. du H. Le Gresley		
		Senator I.J. Gorst		
		Senator L.J. Farnham		
		Senator P.M. Bailhache		
		Connétable of St. Helier		
		Connétable of Trinity		
		Connétable of Grouville		
		Connétable of St. Clement		
		Connétable of St. Peter		
		Connétable of St. Lawrence		
		Connétable of St. Mary		
		Connétable of St. Ouen		
		Connétable of St. Martin		

	Connétable of St. Saviour		
	Deputy R.C. Duhamel (S)		
	Deputy J.A. Martin (H)		
	Deputy of Grouville		
	Deputy J.A. Hilton (H)		
	Deputy J.A.N. Le Fondré (L)		
	Deputy of Trinity		
	Deputy E.J. Noel (L)		
	Deputy T.A. Vallois (S)		
	Deputy A.K.F. Green (H)		
	Deputy J.M. Maçon (S)		
	Deputy G.C.L. Baudains (C)		
	Deputy J.P.G. Baker (H)		
	Deputy J.H. Young (B)		
	Deputy S.J. Pinel (C)		
	Deputy of St. Mary		
	Deputy of St. Martin		
	Deputy of St. Peter		
	Deputy R.J. Rondel (H)		

The Connétable of St. Peter:

I am afraid the ring binder has voted again. [Laughter] I have to say it is not Senator Maclean this time. It is the Constable of St. John.

The Bailiff:

As he is clearly not here, we will amend that to record that the Constable of St. John is not here and therefore his vote will be disallowed.

6.7 Medium-Term Financial Plan 2013 - 2015 (P.69/2012): fifth amendment (P.69/2012 Amd.(5))

The Bailiff:

We come next to the fifth amendment lodged by Deputy Southern and I will ask the Greffier to read the amendment.

The Deputy Greffier of the States:

Page 2 paragraph (b) after the words “As set out in Summary Table A” insert the words - “except that the total amount of States net revenue expenditure shall be increased by £10,700,000 in 2013, £8,700,000 in 2014 and £8,700,000 in 2015 to provide additional funding for public sector pay awards. Page 2 paragraph (c)(ii) after the words “Summary Table C” insert the words - “except that the allocation for Contingency (Pay Provision) shall be increased by £10,700,000 in 2013, £8,700,000 in 2014, £8,700,000 in 2015 to provide additional funding for public sector pay awards.”

The Bailiff:

I omitted to ask the Minister for Treasury and Resources whether it will be accepted.

Senator P.F.C. Ozouf:

It will not surprise Members. This is unfortunately vigorously opposed.

6.7.1 Deputy G.P. Southern:

I hope it is vigorously opposed. It is about time we had a vigorous debate because I think this is probably the most quiescent House I have ever heard in this particular aspect. They have set many Annual Business Plans debated and I think all of them have generated more heat than this today. Here we are, talking about some heavyweight figures. We have seen a gradual increase in the sums involved in the amendments from £25,000 initially to something like £180,000 from Deputy Higgins. We are up to £300,000 and we have just defeated another £500,000 and this one refers to serious money. It does so because it intends to add a dose of reality to what we are talking about. I heard this morning a good speech from the Minister for Treasury and Resources and he talked about 2 things especially that he likes. One was he was looking forward to and he was glad that he had produced balanced revenue budgets and, secondly, I think he said that he looked forward to working with a happy, respected public service workforce. I have to disappoint the Minister for Treasury and Resources. I do not believe that either of those statements are true. The first about balanced budgets is not true because if Members will look on page 3 of the comments from the Council of Ministers they will see on the second line: "Corporate Terms and Conditions Savings of £7 million rising to £14 million in 2013 and going on a lot across the line." Those Corporate Terms and Conditions Savings have not been delivered. They could not have been delivered in 2012 and the process for delivering those savings has only just started in terms of delivering them for 2013 and delivering agreements on those Corporate Terms and Conditions Savings is going to be very difficult indeed. Why does this cause a problem? This causes a problem because without those Corporate Terms and Conditions Savings, then for the public sector workforce, our employees, there is no to little pay rise for them this year, next year and they have to wait until 2014 to get anything that matches inflation. In fact, it is inappropriate to talk about a pay rise. What we are talking about is simply an addition to cope with, to adjust for, inflation. That is all we are talking about. The concept of a balanced budget would not have those figures there which have yet to be negotiated and require the agreement of the workforce in order to be able to be delivered. The reality is, those figures are unlikely to be delivered and indeed, the corollary of the (not quite) freeze in wages is also a difficult one to deliver. Where do we start? I will start with some figures before we talk about the way forward because people get bored with figures but they are important. I want to start simply with the latest figures June 2012 Index of Average Earnings. The first 5 statements there read as follows: "In June 2012 the average weekly earnings of workers in Jersey was 1.5 per cent higher than in June 2011." The latest annual increase is one percentage point lower than that of the previous 12-month period, 2.5 per cent to June 2011. Earnings have risen at a lower rate than prices for the third consecutive year. Average earnings in the private sector increased by 1.8 per cent over the year to June 2012, some hardship in the private sector. The public sector saw average earnings increase by 0.3 per cent over the year to June 2012. It is very clear. Average earnings lower than R.P.I. (Retail Price Index) for the third consecutive year producing suffering in all sectors of society with the public sector workers having the greater part of that suffering compared to their private sector colleagues, but that is one year.

[17:00]

If Members will examine tables 1 and 2, in a very simple manner I have produced what is effectively 5 years' worth of figures and they repeat that message. Over the last 5 years, pay rises have been below R.P.I. and in table 1 you can see there for teachers in particular, 17.2 per cent rise in R.P.I. Pay rise over those 5 years, 8.5 per cent, half the rate of R.P.I. In the private sector, pay rises over that period, 13.2 per cent. So a gap is opening up, a deliberately engineered gap because the policy of this House has been to freeze or near freeze pay rises at this time. Examining public sector average earnings in detail show that public sector wages have risen overall by 11.6 per cent compared, I remind Members, to 17.2 per cent R.P.I. inflation, private sector 13.2 per cent, the finance sector in particular, 14.3 per cent. So the finance sector almost matching R.P.I. inflation with the public sector trailing some way behind. The Ministers, however, say that my figures,

which I have referred to in tables 1 and 2: “Deputy Southern’s choice of statistics is selective.” The appendix to these comments illustrates the pay award history for the States of Jersey as a whole from 2000 to date and also shown is the R.P.I. and Average Earnings Index for the same period. This demonstrates that the employer has maintained, while it was affordable, pay parity for the public sector with the cost of living. If Members will turn to their comments on page 7, you can see the tables that they have produced and over a slightly more than 10-year period there appears to be the case that over a longer period pay rises match inflation. One has to ask why that is and what the proper comparison between the public sector and other sectors should be. To do so, one has to return to the Average Earnings Index which is produced by the Statistics Department. Here, on page 5 of their latest, the June report, shows what happens over a 1-year period, 3-year period, 5-year period and a 10-year period. In the one year, this year, average earnings, half of inflation. Over a 3-year period, 5.2 per cent compared to 10.7 per cent, still half over the 3-year period, half of inflation, so no inflation proofing there. Over the 5-year period, we are talking about inflation running at 16.5 per cent and average earnings running at 13 per cent. Over the 10-year period, we see an approximate match between inflation 41.6 per cent and a slight lag, a very slight lag, to average earnings at 39 per cent. What does that mean? Members can ask themselves what that means. What that means is over a 10-year period, workers, employees will play catch up. If you squeeze down their pay rises during 1, 2, 3 years, sooner or later they are going to demand that they catch up. They will not tolerate it for a length of time and that, I believe, is what we are aiming for in terms of what this proposed policy is. Squeeze down on public sector pay and hope the public sector will just take it and the answer, of course, is that they will not. Sooner or later, they will come back and say: “We need to catch up. We need significant increases.” All we are doing at the moment by ignoring the fact that pay rises are falling well behind inflation, is storing up trouble in the future. The hope, presumably, is that the Ministers have crossed their fingers and hope that economic recovery will come in a suitable timescale to help them cope with that. However, time and time again, that is what happens. Wages get suppressed and then it is catch up. It is just delaying the inevitable. Much has been made of the fact that the public sector are the second highest paid of all the sectors of the economy. That is true and one has to ask oneself why might they be the second highest paid? The answer comes in the recent Census documentation which shows very clearly that the public sector, along with the finance sector, are the 2 highest paid sectors in society. Why? Because they have the best training; they have the best qualifications among their staff by a country mile compared to all the other sectors. If you ring up the Staff Department, they are quite happy to run combinations of, for example, in this case: “Can you tell me how the highest educational level matches across the sectors?” What you see is that the public sector has 59 per cent of its workforce with a degree, higher education above degree level, higher education below degree level or 2 or more A-Levels, 59 per cent. Look across the other sectors of society and you get figures 19 per cent, 20 per cent, 28 per cent, 34 per cent until you get to finance where the figure is 63 per cent. Much has been made of the fact that it is relatively well paid - in Jersey terms - as a sector, in the public sector and the finance sector. Comparison must be made with public sector and the finance sector. When you do that, what happens is that over a 10-year period compared to the private sector, the public sector has fallen 3.2 per cent behind. However, comparing like with like with the highest educated, most trained workforce comparing it with finance sector, then that gap opens up over the 10-year period to 8.5 per cent. So from 3.5 per cent and that is what the Council of Ministers has demonstrated, a relatively small gap between private sector and public sector. In fact, the true comparison, the proper comparison with the finance sector is 8.5 per cent even over the 10-year after playing catch up. That is without any mention of bonuses and bonuses in 2011 added something like £1,500 to finance sector salaries on average and therefore, substantially more of the higher paid. Certainly public sector does not see any bonuses, as far as I know. We come to the arguments for suppressing public sector wages and the statement is made on page 2 of the Council of Minister’s comments. Elsewhere in the Island economy, pay

settlements have been between 2 per cent and 3 per cent. Therefore, somehow the States is justified in holding down pay rises in the public sector to zero initially, was the first offer and now 1 per cent unconsolidated. One per cent unconsolidated is the offer despite the fact that in private sector, pay rises, pay settlements have been in the order of 2 per cent to 3 per cent. I can think of the J.E.C. 3 per cent plus improvements in their conditions, not reductions in their conditions and the bus drivers, although we do not know what that will settle out to in the end, but before being taken over by CT Plus, there was a 3 per cent pay rise there as well. The comments of the Council of Ministers on page 4 of their paper say: "Such pay negotiations should not be conducted in the Assembly and the Medium-Term Financial Plan has to contain an estimate that reflects the best information at the point of lodging. In this case, the Medium-Term Financial Plan reflects the employer's final offer. Progress is being made and there is no current information to suggest that employees will not recognise the reasons for the offer and be willing to wait until 2014 for a 4 per cent rise." Let us examine that: "Negotiations should not be conducted in the Assembly." This is not asking that this body negotiates. What it is saying is that it should put the money in the pot for negotiations, realistic negotiations to take place instead of which this Council of Ministers have taken the money out of the pot, made a pay rise, any pay rise, conditional on accepting worse terms and conditions that will not be negotiated at the earliest until the end of 2013. This therefore makes negotiation also impossible because there is no money in the pot. It then goes on to say: "The plan has to contain an estimate that reflects the best information at the point of lodging. In this case, the Medium-Term Financial Plan reflects the employer's final offer." Therefore, we have the usual both hands working at the same time; the left hand does not know what the right hand is doing: "We are open for negotiations. There is no money in the pot and that is our final offer." That is not negotiation, so where it says earlier: "When negotiations with the Council of Ministers considers that Deputy Southern's proposal comes at a time when negotiations with the public sector pay groups have not been concluded", that is simply not true. For several groups, as far as they are concerned, pay talks have been concluded. They have concluded with a failure to agree and we are going to examine that shortly. They then go on to say: "Progress is being made and there is no current information to suggest that employees will not recognise the reasons for the offer and be willing to wait until 2014 for the 4 per cent." Well, I have news for the Council of Ministers. That is not the case. Evidence is there that public sector workers are not willing to sit down and wait patiently for 2014. They are feeling the impact of inflation now and it is their budgets that they are struggling to meet. How do I know that? I will not read out the individual unions involved but there are 6 on this list here and it refers to a ballot of their membership which asked them, are they prepared to take some type of action to promote their pay claim?

[17:15]

The response in favour of action is 88 per cent, 92 per cent, 97 per cent, 95 per cent, 92 per cent, 93 per cent overall. Over 90 per cent are prepared to take action. On the bottom line: "And are you prepared to go on strike?" The answer is in the affirmative 68 per cent, 64 per cent, 55 per cent, 70 per cent, 57 per cent, 63 per cent, 76 per cent overall. Three-quarters prepared to take strike action if necessary. When the Minister for Treasury and Resources and he may well roll his eyes, is no longer on the States Employment Board he will not get the opportunity to roll his eyes at union representatives. However, the Minister for Treasury and Resources cannot look forward to working with a happy, respected public service workforce. Why? Because the public sector do not feel respected. They feel that even the latest offer of 1 per cent unconsolidated and unconsolidated means that you only get it for 1 or 2 years. Then, we take it away again and it is not pensionable. "Here you are; just go away and be quiet because we will pay you something now and we will take it away later, but be patient. There is 4 per cent lining up for you to make you feel better." Members will look again on my table 3 on page 5 of my proposition. It shows the impact of what is on offer and looking across from the States Employment Board, 0.79 per cent unconditional, 4

per cent and 2.5 per cent, a total of 8.3 per cent between now and the end of the M.T.F.P compared to estimated R.P.I. of 3 per cent, 2.5 per cent, 2.5 per cent, 2.5 per cent, inflation then running at 10.9 per cent. Given that you have already fallen substantially behind inflation, there is nothing here for you except a further 2 per cent drop in the real value of your incomes over the period of this plan. My amendment, which I believe is more realistic than the Council of Ministers, opposes the offer of 1 per cent now for 2012 consolidated. Let us not mess around with unconsolidated. That is an insult. 4 per cent brought forward to 2013 and 2014 inflation, 2.5 per cent and 2.5 per cent is overall an increase of 10.4 per cent compared with 10.9 per cent in inflation, therefore keeping par with inflation over the next few years. I believe that keeping par may just be enough to head off a period of serious industrial dispute on the Island. The Council of Ministers, in their comments, suggest that balanced stable budgets are what we need and that will maintain the stability of the Island and its good reputation. I would argue that an extended period of industrial unrest and instability there will equally reduce our reputation as a stable Island to near zero. Balanced budgets, they say, are essential to provide certain stability and confidence in the Island to be able to deal with uncertainty, enable the Island to compete internationally and be in a position to take advantage of global economic growth when it returns. Industrial unrest is another recipe for a growing reputation for instability. I am also informed reliably that our Treasurer takes the attitude that the public sector is a burden on our economy. Those are the words I believe she used, a burden on our economy. She seems to be incapable of realising that a pay rise now and I see people frowning...

Senator L.J. Farnham:

I think the Deputy should take that back. He is talking utter nonsense. She did not say that.

The Bailiff:

Deputy, the position is the policy of the Minister, not of civil servants. Civil servants are there to advise Ministers and you must attack the Minister if you wish to, not the civil servants.

Deputy G.P. Southern:

The expression I am referring to was not used, I believe, in advice to the Minister. It was used in front of representatives of the public sector workforce.

The Bailiff:

This matter is being debated now. It is the policy of the Minister and the Council, not of the Treasury.

Senator L.J. Farnham:

Would it be appropriate for the Deputy to withdraw that previous comment?

The Bailiff:

Thank you, Senator for your assistance. [Laughter]

Deputy G.P. Southern:

It appears to me that the advice that the Minister is giving is that the public sector is a burden on the economy. It appears to me also that while we spend a lot of time talking about fiscal stimulus, the reality is that one of the quickest ways to get money back into the economy is through a pay rise. A pay rise now or earlier can stimulate the economy in a very straightforward manner. Again, the figures I have seen in the Treasury suggest that a pay rise given to the public sector would generate only 13 per cent in tax return immediately from that pay rise. The reality is that it will either, because it is at a marginal rate, each pound that you pay a public sector worker will produce either 20 per cent or 27 per cent because its marginal rates of immediate return into the Exchequer. Not

only that, but that money will be spent by and large in the economy and there is a multiplier effect. I do not know what that multiplier effect would be. At least 1.5, perhaps 1.8 in the economy as that money gets spent. Public sector is being asked to take an effective wage cut which falls further behind inflation and at the same time to accept a package of reductions in their terms and conditions. I believe that situation of the double attack of the wage freeze (for want of a better word) and reduction in terms and conditions is something that will prove unacceptable to the vast majority of the public sector. I just wonder if we are going to get through to the position of many local authorities in the U.K. I refer here today to a document by Harrow Council and it is talking about modernisation of the workforce, modernisation of the terms and conditions which is the term we are using now increasingly, modernisation. This says: "At the point negotiations were concluded, there was no realistic prospect of agreement to the changes to the reduction in terms and conditions." They arrived one year ago. How often we are a year behind the U.K. As a result, the decision was made in the absence of a collective agreement. The only mechanism available to implement changes to employees' terms and conditions, is to formally consult the workforce on the proposed variations. Implementing the changes will require employees to be given notice of the termination of their contracts and offered re-engagement on new terms and conditions of employment. That situation is happening in the U.K. I believe there is a serious risk that will happen here unless we are very, very careful. We could be in a position of sacking our public sector and asking them to reapply for their jobs under new terms and conditions as that is the only way legally that you can do it if you do not negotiate properly and come to an agreement. I think we are in serious danger of provoking a position where we end up with that situation. The recipe delivered by this current M.T.F.P. which is supposed to be balanced is only balanced because it ignores the reality of what is going on and the fact that we have a pay rise and terms and conditions so far unresolved with a workforce that is extremely unhappy and I would describe in the most part as angry, looking to take action if they can. If we sign off this Medium-Term Financial Plan today with the figures in it, I believe we are living in cloud cuckoo land. The reality is those savings will not be delivered in the timescale required. If we are unlucky, we will end up with major disputes with our own workforce and that is the reality. I desperately want us to avoid this but the current M.T.F.P. I think is a recipe to produce exactly that.

The Bailiff:

Does any Member second it? [**Seconded**]

Deputy R.G. Le Hérisier:

May I propose the adjournment?

The Bailiff:

Yes, the adjournment is proposed.

Senator P.F.C. Ozouf:

We have made very good progress today in relation to dealing with 5 amendments but we have another 5 to go and of course the debate on the major plan. I wonder whether or not it would be sensible to test the mood of the Assembly to try and complete this amendment tonight. Deputy Southern has spoken.

Deputy G.P. Southern:

I absolutely object to that.

Senator P.F.C. Ozouf:

It is his right to object but I am testing the mood of the Assembly to see whether or not the Assembly wishes to continue perhaps for half an hour to deal with it.

The Bailiff:

You know the rules. It is discussion not interventions while people are speaking.

Senator P.F.C. Ozouf:

I am testing the mood of the Assembly to deal with an important amendment perhaps by 6.00 p.m.

The Bailiff:

The adjournment has been proposed, so you are saying you want a vote on the adjournment and you want to continue until 6.00 p.m.?

Senator P.F.C. Ozouf:

In view of the continued amendments we have to deal with, I propose that we continue.

The Bailiff:

Does any Member second it? **[Seconded]** There is a proposition that the Assembly should continue until 6.00 p.m. Deputy, do you wish to say anything to Members?

Deputy G.P. Southern:

Suggesting that a debate of this importance on a serious magnitude can be dealt with in half an hour, I am sorry, is typical of the particular Minister who opposed it and it is an insult to any Back-Bencher in the room, let alone the public sector workers.

Deputy J.A. Hilton:

I thought there was a general understanding that when we were meeting the next day, which we are, we do finish at 5.30 p.m. Some of us have homes to go to; some have meetings to go on to, which indeed I have and I know of several others. Therefore, I would appeal to Members to please not support the proposition of the Minister for Treasury and Resources.

The Bailiff:

All those in favour.

Senator P.F.C. Ozouf:

I am happy to withdraw that.

The Bailiff:

The Minister for Treasury and Resources withdraws the proposition. The Assembly will then reconvene at 9.30 a.m. tomorrow to continue this debate.

ADJOURNMENT

[17:29]